Austria	Sch. 15	Indonesia	Rp 2500	Portugal	Esc 65
Bahrain	Din.0.650	Italy	L 1100	S. Arabia	Rls 6.00
Belgium	BFr.35	Japan	Y550	Singapore	S$ 4.10
Canada	C$2.50	Jordan	Fils 500	Spain	Pta 95
Cyprus	Mils 600	Kuwait	Fils 500	Sri Lanka	Rup 30
Denmark	Dkr.7.00	Lebanon	£L 6.00	Sweden	Skr 6.50
Egypt	E£7.00	Luxembourg	LFr.35	Switzerland	SwFr 2
Finland	Fmk 5.50	Malaysia	Rm 4.75	Taiwan	NT $65
France	FFr 5.50	Mexico	Pes. 300	Tunisia	Din 0.600
Germany	DM 2.00	Morocco	Dh 6.00	Turkey	L 160
Greece	Dr 60	Netherlands	Fl 2.25	U.A.E.	Dh 6.50
Hong Kong	HK$ 12	Norway	Nkr. 8.00	U.S.A.	$1.50
India	Rup. 15	Philippines	Pes. 20		

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,181 — Friday November 25 1983 — D 8523 B

European Spacelab set for first launch, Page 12

NEWS SUMMARY

GENERAL

Dutch unions step up campaign

Dutch unions representing 700,000 public employees stepped up their protest campaign against a cabinet proposal to cut their wages by 3 per cent from January 1.

As the Government reaffirmed that it was not prepared to make further concessions, workers planned to hold more strikes affecting key services and more demonstrations.

Dutch railways has already lost about Fl 25m ($8.3m) in fares and Fl 30m as a result of the postal strike. The action is costing the country about Fl 40m a week. Page 2

Grenada head ill

Alastair McIntyre, 51, a Grenada economist named two weeks ago to head the island's temporary government, will be unable to take up the post because he needs four months of medical treatment in Geneva. Commonwealth heads divided, Page 3

Parliament blasted

A bomb exploded in Bolivia's parliament causing considerable damage but no casualties. No one has claimed responsibility.

Puzzle over goods

Swedish customs officials are examining a second consignment of computer equipment that the U.S. said was being smuggled to the Soviet Union. Two weeks ago four containers of equipment arrived from South Africa.

Killer takes hostages

Lionel Carden, self-confessed killer of a Paris policeman and wanted in connection with an earlier double murder, held his lawyer Nicole Dreyfus and journalist Annette Khan hostage in a Paris apartment after wounding another policeman.

Doubt on cosmonauts

Soviet coverage of Vladimir Lyakhov and Alexander Alexandrov's return to earth after 149 days in orbit caused surprise among western analysts and raised speculation about their health.

Poverty for 700m

Almost 700m people in the rural areas of developing counties live in absolute poverty, a Food and Agriculture Organisation report said, and there is "a little reason" to believe conditions are improving.

Syria bans reporter

Syria expelled Agence France-Presse correspondent Michel Garin for reporting that Syrian President Hafez Al-Assad had suffered a heart attack.

Laws anger Basques

Basque nationalist politicians reacted angrily to tough anti-terrorist laws which Spain's Government is to rush through parliament, and said they would lead to more violence rather than less.

Briefly . . .

Fire at Esso's Antwerp refinery, Belgium, caused $500,000 of damage.

East German border guard slipped into his jogging suit and made a dash over the border to West Germany.

Turkish Premier Bulend Ulusu resigned as the new parliament prepared to convene. Page 2

Queen Elizabeth II awarded Mother Teresa the Order of Merit for her work among Calcutta's poor.

BUSINESS

Lawson tries to dampen tax fears

● UK CHANCELLOR Nigel Lawson reacted to industry leaders' criticism of his autumn statement by expressing confidence that tax levels would be cut during this parliament. Page 20

UK imports surged in October, swinging the current account of balance of payments into a deficit of nearly £270m ($396m). Page 7

● DOLLAR rose to DM 2.7085 (2.6935), FFr 8.2325 (FFr 8.2), SwFr 2.179 (SwFr 2.1725) and Y235 (234.4). Its trade-weighted index was 128.8 (128.4). Page 39

● STERLING fell 40 points to $1.465, rose to DM 3.97 (DM 3.96) and FFr 12.0575 (FFr 12.0425) and was unchanged at SwFr 3.195 and Y344.5. Its trade-weighted index was 83.4 (83.4). Page 39

● GOLD fell $0.50 in London to $375.625. In Frankfurt it fell $0.25 to $375.5 and in Zurich it fell $0.75 to $375.75. Page 38

● LONDON: FT Industrial Ordinary index gained 2.4 to 728.8. Government Securities eased; falls of ½ in longs were later clipped by ¼. Report, Page 35; FT Share Information Service, Page 36, 37

● TOKYO: Nikkei Dow index fell 43.02 to 9,373.54. Stock Exchange index lost 1.7 to 688.06. Report, Page 31; leading prices, other exchanges, Page 34

● AUSTRALIAN stock markets surged ahead on good prospects for the economy. All Ordinaries index gained 11 to 733.2. Report, Page 31; leading prices, Page 34

● WALL STREET was closed for the Thanksgiving holiday.

● GHANA'S Western aid donors made pledges totalling some $150m for next year at a meeting in Paris chaired by the World Bank. The money is in addition to some $600m already committed by multilateral institutions since the introduction of an economic recovery programme in April.

● JAMAICA devalued its currency 57 per cent against the U.S. dollar to meet conditions for $180m new credits from the IMF. Page 3

● MEXICO plans to run a current account deficit of $1bn next year as part of its strategy to stimulate recovery. Page 3

● SWEDISH talks between the Government and special steelmakers collapsed, dashing hopes for a restructuring of the industry. Page 2

● GILMORE STEEL of the U.S. dropped most of its anti-dumping complaint against Belgian and West German hot-rolled and carbon steel plate sales in the U.S. Page 20

● GENERAL MOTORS is heading for a net loss in Britain this year of about £53m ($78m) compared with a loss of £38.7m in 1982. Page 20

● ASEA, Sweden's electrical group, nearly doubled its profits in the first nine months to SKr 1.35bn ($170m). Page 21

● BANQUE BRUXELLES Lambert, Belgium's second largest bank, raised dividends 21.3 per cent for the year after a 17.6 per cent rise in net profits to BFr 1.67bn ($30.4m). Page 21

● CHRYSLER is considering several manufacturing alternatives, including a link with Mitsubishi, to meet the possible challenge of a GM-Toyota joint venture. Page 21

● WESTPAC BANKING, Australia's biggest private trading bank, has acquired 75 per cent of Sydney-based bullion dealer Mase Metals. Page 22

● BRAZIL'S leading private exporter and sugar trader, Costa Pinto group, filed for court protection against bankruptcy. Page 20

Optimist Esch leaves failure of IBH empire behind him

BY JONATHAN CARR IN FRANKFURT

COLLAPSE CLOSER AFTER TALKS RULE OUT RESTRUCTURING

The final collapse of IBH, the stricken West German construction machinery group, drew closer yesterday with the resignation of its founder, Herr Horst-Dieter Esch (right). Discussions between the group's bank creditors and major shareholders – including General Motors of the U.S., Powell Duffryn and Babcock International of the UK and Saudi Arabian interests – had ruled out Herr Esch's bid to keep IBH's main operations together. His plan, which involved the disposal of the group's French and Brazilian interests, depended on IBH's creditors writing off 60 per cent of its debts. IBH, which had become one of the world's largest construction machinery groups in the eight years since its formation, had declared itself insolvent following the failure of a small private bank to which it owed around DM 1bn. *Details, Page 20; Editorial comment, Page 18*

HERR Horst-Dieter Esch is a born optimist. Even as he announced he was stepping down as head of the tottering IBH building machinery empire, he was considering his future. He thought he might try something in the U.S., where there was more room for someone of his entrepreneurial skill.

Herr Esch, who is just 40, clearly feels he is the victim of a fuddy-duddy West German system, in which big banks give too little cash to bright young men with good ideas.

Not that he thinks he has made no mistakes himself in his breathtaking eight-year dash to stardom – and notoriety. Wedged against a grand piano in the bar of a Frankfurt luxury hotel, he dispassionately went over his errors.

For one thing, Herr Esch said, expansion of his group had been very fast. Modernisation of rationalisation, especially of the range of products, had not fully kept pace. He had not always been able to put in a new management team quickly enough to deal with the problems of the troubled companies he acquired.

Herr Esch thus acknowledged a criticism made by many analysts as he built up one of the world's biggest machinery groups, with annual sales of more than DM 2bn ($743m), in less than a decade. He specialised in taking over companies in difficulties, for little if any money, then trying to put them on an even keel. Sometimes his management changes were very quick, despite his self-criticism. A few executives were sacked on the day he took over.

Herr Esch also admitted he had underestimated the length and depth of the world recession. He had expected the upswing which was now emerging about a year earlier. He implied that many of his problems would have been eased with stronger economic growth and a fairly quick surge in sales in the machinery sector in particular.

But his biggest failure, he said, was his inability over eight years to win the support of the big German banks. He had understood their reservations about him at the start when he was little known and the businesses he was taking over had a poor name. But he felt sure the big banks would come in later, especially when he won shareholders with the status of General Motors (which has nearly 20 per cent of IBH) and Powell Duffryn (with 13.2 per cent). He was wrong.

As a result, Herr Esch admitted he had become very heavily involved with one smaller bank above all, Schröder, Münchmeyer, Hengst (SMH). The bank, with total assets of just over DM 2bn and capital of DM 110m, was saved from the brink of collapse at the start of this month. Its total risk exposure to IBH amounted to about DM 900m. With more than a hint of bitterness, Herr Esch described the big banks' expression of shock at the SMH-IBH debacle as "mere rhetoric."

IBH had had no problems gaining support from banks in other countries where the group operated, including France, Britain and Brazil, he claimed. It was, Herr Esch said sorrowfully, a specifically German problem.

Many German bankers scoff at Herr Esch's claim, and pride themselves they know a "whizz kid" when they see one. But one senior Frankfurt banker admitted yesterday there was something in what Herr Esch had said.

"In the 1950s," he declared, "Esch would have been one of those creating the economic miracle, and we would probably have been proud of him. Times change."

Andropov intensifies pressure on West with new weapons

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN LONDON

THE SOVIET UNION will step up its threat to Europe and the U.S. by stationing new weapons in Eastern Europe and in the "oceans and the seas", Mr Yuri Andropov, the Soviet President, said yesterday.

He also declared that Moscow considers further participation in the Geneva talks to limit nuclear weapons "impossible," following the arrival of new U.S. nuclear missiles in Britain and West Germany.

Mr Andropov's statement, which was read for him on Soviet television yesterday evening, is the first official comment following the Soviet walk out at the Geneva arms control talks on Wednesday.

Mr Andropov blamed the U.S. for the failure of the talks and said the deployment of new cruise and Pershing 2 missiles raised "a real danger that the U.S. will bring catastrophe upon the people of Europe."

As continuation of the talks could "only serve as a cover for the actions of the U.S. and a number of other countries . . . the Soviet Union considers its further participation in these talks impossible," he said.

Mr Andropov's statement, however, contained no reference to the parallel Geneva talks to reduce strategic weapons (Start), which Western diplomats are therefore assuming will continue.

During the past few months Soviet leaders have consistently threatened retaliation if Nato went ahead with new missile deployments and Western officials claim there is little to surprise them in the Andropov statement.

Mr Andropov announced abrogation of the 1982 freeze on the deployment of Soviet SS20 missiles in western Russia. In fact, U.S. officials say the freeze always referred only to the construction of new SS20 bases, a programme which they believe is now complete.

The numbers of SS20s facing Nato has increased by about 60 to 243 in the past 18 months.

The Soviet leader also said that Moscow would accelerate the installation of new short-range nuclear missiles in East Germany and Czechoslovakia.

Nato believes this programme has been under way since the late 1970s. It involves the replacement of some 250 Frog and 280 Scud missiles, which have ranges of up to 300km, with new SS21s and SS23s, which have ranges of up to 500km.

Western officials said yesterday that the only change to the existing Soviet programme would be if SS22s, which are to replace the older SS12s, in the Soviet Union, were also deployed in Eastern Europe.

What does appear new is Mr Andropov's specific reference to the deployment of additional sea-based weapons. These are presumed to be the means by which Moscow would increase its threat to the U.S.

Senior U.S. officials point out, however, that the Soviet Union already has submarine-launched ballistic missiles off both U.S. coasts which could strike targets deep inside the U.S. in the time – about 10 minutes – in which a Pershing 2 could reach the Soviet Union from West Germany.

James Buchan writes from Bonn: Chancellor Helmut Kohl of West Germany, in a speech in Bonn last night, ignored the threats implied in the Soviet statement and appealed to Moscow once again to return to negotiation

Herr Kohl said in a toast for the visiting French President, M François Mitterrand: "Our emphatic wish is that, despite the news from Moscow today, the negotiations will continue in Geneva or elsewhere."

Continued on Page 20

Argentina urges go-ahead on loan

By Jimmy Burns in Buenos Aires and Peter Montagnon in London

SR BERNARDO GRINSPUN, who will be economy minister in Argentina's new Government, made a strong plea to international banks yesterday to go ahead with a $500m loan drawing next Wednesday.

"I think it would be a great pity if the loan was delayed," he said in an interview in Buenos Aires. "I want to make it quite clear that once we are in government we will make every effort to reach an agreement with the banks because we don't want anyone to go bankrupt.

"We shall work with good faith and warmth towards a solution of Argentina's debt problems."

His plea coincided with a new telex from leading creditor banks to all Argentina's bank lenders asking them to agree to the drawing next Wednesday.

The money will be used to repay an earlier short-term loan and to reduce debt arrears estimated at more than $500m.

A few creditor banks have yet to agree to the drawing, mainly because of the debt service arrears and because Argentina has yet to sign rescheduling agreements worth $6bn for about 30 of its public sector agencies.

Despite this the Argentine request to draw a first $500m instal-

Continued on Page 20

Israel releases 4,700 prisoners in PLO swap

BY DAVID LENNON IN TEL AVIV AND PATRICK COCKBURN IN BEIRUT

ISRAEL released 4,700 Palestinian guerrillas and Lebanese prisoners yesterday in exchange for six Israeli soldiers who had been held by Mr Yassir Arafat's loyalist Palestine Liberation Organisation forces in Lebanon's war-torn northern town of Tripoli.

Israel agreed to the unprecedented step of emptying the Ansar prisoner of war camp in southern Lebanon of all its 4,700 inmates because of fears that the Israeli soldiers might be killed if the PLO rebels overran the loyalists' positions in Tripoli.

In Tripoli aides to Mr Arafat, the chairman of the PLO, hailed the prisoner exchanges as a victory.

Officials in Jerusalem denied that the agreement included the granting of a safe passage to Mr Arafat if he decided to leave the beleaguered city by passing through the Israeli naval blockage of Tripoli. An aide of Mr Arafat also denied there was any link.

Some 3,000 of the Ansar prisoners were released to their homes in Lebanon, while another 1,100 who opted to go to Algeria were flown out from Tel Aviv on three Air France jumbo jets.

Meanwhile the Syrian-backed rebels fighting Mr Arafat said yesterday in Damascus that they accepted an indefinite ceasefire and would settle their differences by peaceful means.

The rebels had previously said that their ceasefire would run out on Saturday and they would resume their assault on Tripoli if Mr Arafat did not agree to leave.

Prince Saud al-Faisal, the Saudi Foreign Minister, said that agreement had been reached in the Syrian capital to end the fighting and practical details are now being worked out.

Mr Arafat agreed to proposals in principle on Wednesday which included his departure from Tripoli.

The relaxation of tension in Tripoli came as Palestinians in refugee camps in the south of Lebanon rejoiced at the release of prisoners.

Mr Yitzhak Shamir, the Prime Minister of Israel, admitted that the release of so many prisoners was "a heavy price" to pay for the six Israeli soldiers, but the threat to their lives left him with no option

Senior Israeli officers said yesterday that there was a danger that many of the released prisoners would return to active duty with the PLO. The fact that thousands of fresh guerrillas would now be wandering around Lebanon meant that the Israeli forces would have to tighten their security precautions

Fokker to build new short-range airliners

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT, IN LONDON

FOKKER, the Dutch aerospace manufacturer, is to develop two new airliners to replace its existing F-28 Fellowship jet and its F-27 turbo-propeller aircraft.

The new jet will be the twin-engined Fokker 100, seating up to 109 passengers and designed to fly distances of about 1,200 nautical miles. The new turbo-prop will be the Fokker 50, and will also be designed for short-range operations.

The aircraft they replace have for many years been best-sellers in the world airline industry, the F-28 selling more than 200 aircraft and the F-27 more than 750.

For the new Fokker 100, the Dutch company has awarded Rolls-Royce a contract for 100 of the new R-R Tay jet engines, worth about £200m to the UK company during the next 10 years, including spares and other support costs.

This follows the order for 200 Tay engines announced some time ago for the U.S. Gulfstream IV jet aircraft, and sets the Tay well on the way to becoming a major source of business for Rolls-Royce through to the end of this century.

Rolls-Royce is also discussing other applications for the engine, including re-engining some existing BAe One-Eleven twin-jet airliners. One eventual possibility is a military application for the Tay, although this has not yet emerged.

The Tay, which has a 13,550 lb take-off thrust, is now being developed at Rolls-Royce's Derby works, and is expected to run on the test-bed next year. It is due to enter service with the Gulfstream IV at the end of 1986, and with the Fokker 100 airliner in 1987.

Mr Ralph Robins, director of civil engines for Rolls-Royce, said yesterday he believed the company would eventually sell well over 1,000 Tay engines worldwide, worth more than £2bn, including spares.

The development cost of the engine, which is a private venture by Rolls-Royce, would amount to about £90m, including the first two years of production of engines for airline service.

Olivetti re-sells big stake

By Alan Friedman in Rome

OLIVETTI, the major Italian data processing equipment group, yesterday said it had fully placed the 33 per cent share stake held previously by nationalised French interests. The placing, which involved 100m Olivetti shares with a total value of L350bn ($219m) was completed only one week after the operation began.

Included in the 33 per cent placing is just under 10 per cent taken by CIT-Alcatel, the French telecommunications subsidiary of the nationalised CGE conglomerate. On November 2, CIT-Alcatel and Olivetti sealed a commercial and industrial co-operation agreement in Paris which will provide for the joint production of a new generation of electronic typewriters in France. CIT-Alcatel thus has 28m shares out of Olivetti's 302m in issue.

An 8.3 per cent stake in Olivetti, representing some 25m shares, has been acquired by CIR and by the De

Continued on Page 20

CONTENTS

E. German overture to Bonn

By Leslie Colitt in East Berlin

EAST GERMANY has signalled its intention to continue co-operating with Bonn despite the Bundestag vote to deploy new U.S. missiles in West Germaoy.

Neues Deutschland, the official Communist newspaper said East Germany would strive for "co-operation, peaceful joint actions and disarmament" while refraining from confroota-tion and from a policy of strength.

East Germany favoured improving Warsaw Pact defences aod would "make its contribution." It has said it will pay at least part of the cost of installing new Soviet missiles in East Germany in retaliation for the Nato move.

Representatives from East Germany and West Berlin have held their first meeting since the Buodestag vote on Tuesday evening. Negotiatioos were held in West Berlin with the aiot of transferring operation of the city's urban rail system from East Germany.

The East German Reichsbahn has operated the elevated S-Bahn in West Berlin since 1945 under allied authority, but no longer wants to subsidise the loss-making system. It would like to lease the railway to West Berlin which has agreed to modernise the crumbliog network using more than DM 1bn (£250m) from the Bonn Government.

The mild East German reaction does oot preclude retaliatory moves over the missile vote. However, its current economic worries are such that it could ill afford a worsening of relations with Bonn.

The West German Government has repeatedly said it will not guarantee a further bank loan to East Germany unless the latter takes steps to ease contacls between ordinary East and West Germans.

Spotlight falls on Stockholm conference

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

THE BREAKDOWN of the Geneva talks have brought the European disarmament conference, due to begin here in January, into the spollight.

It would offer a nstural stage for a renewed diplomatic and propaganda offensive by hotb superpowers.

Officislly titled the Confereoce on Confidence and Security: Building Measures and Disarmament in Europe, the meeting will be attended by nearly 400 delegates from 35 countries—all the European states except Albanla, plus the U.S. aod Canada.

It is one of the most tangible results of the three-year European Security Cooference follow-up meeting in Madrid, and is a further step in the process of building European security and co-operation which was started in Helsinki between 1973 aod 1975.

The Soviet decision to walk out of the Geneva iotermadiate-range missiles negotiations "makes the Stockholm conference more important thao ever," Mr Lennart Bodstrom, Sweden's Foreign Minister, said yesterday.

A preparatory session has already been held in Helsinki to help draw up an agenda for the meeting, which could last for at least two years.

Discussions in Stockholm ara expected to concentrate more specifically on matters of military security than did aoy of the previous meetings. Initially, at least, the conference is due to discuss measures for increasing military confidence between Europeen states. These would include improved early-warning about military manoeuvres and better exchange of information about the location of military installations and equipment.

Under the first Helsinki agreement ln 1975, for instance, member states are supposed to be informed of sll manoeuvres involving more than 25,000 troops within 250km of national borders at least 21 days ln advance in order to rednce the risk that troop movements could he taken as a pretext for surprise attack.

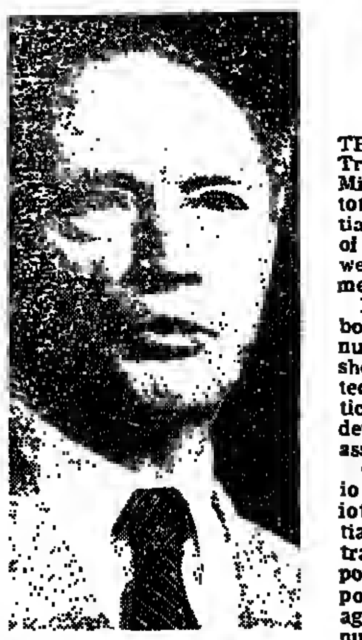
Such exchange of military information, particularly about new installations and equipment, raises sensitive issues of checking and verification.

The Stockholm conference is also especially important for the Nordic countries, alarmed about the deployment of new Nato medium-range missiles. Sweden and Finland in particular, are concerned that cruise missiles fired from central Europe at the Soviet Union—and above all at the dense military installations on the Kola Peninsula—would inevitably violate their airspace and territorial integrity.

Sweden has already held military exercises to test the feasibility of shooting down cruise missiles in an effort to show that it can credibly defend lts claims to neutrality in the case of war.

For Finland, the situation is even more dellcate, given its ties to the Soviet Union in its treaty of friendship, co-operation and mutual assistance. This allows the Soviet Union to call for military consultations if lt feels threatened across Finnish territory.

This treaty was prolonged earlier this year for a further 20 years following a visit to Moscow by Mr Mauno Koivisto, the Finnish President. Mr Paavo Vayrynen, the Finnish Foreign Minister, is due to visit Moscow on December 13, a visit that was arranged during the summer.



Mr Trudean: llvely discussion of his plan st Commenwealth conference

Trudeau plan runs into criticism

BY ROBERT MAUTHNER IN NEW DELHI

THE PLAN by Mr Pierre Trudesu, the Canadiao Prime Minister, to give a new impetus tothe nuclear disarmament negotiations has become the subject of lively debate at the Commonwealth heads of government meeting.

In essence, he is proposing both that the level of the nuclear disarmament talks should be raised from thst of technicians to the highest political plone and thst non-nuclear developing countries should be associated in the dialogue.

One of the key aspects is that, io order to breathe new life ioto nucleor disarmament negotiations, there should be a trade off-between the nnclear powers and the non-nuclear powers. The former would agree not to increae their nucleor arsenals through new technological developments—indeed, they should strive to reduce them—while the latter, should sign the Nnclear Non-Proliferation Treaty (NPT).

That Mr Trudeau's proposal should receive a cool reception from Britain, one of the world's five nuclear powers, was to be axpected. But it has also been criticiser by some of the developing countries at the conference.

India, which is believed to have nuclear weapons and has always refused to sign the NPT, and other developing countries questioned the right of the nuclear powers to call on them not to acquire nuclear weapons while the latter were themselves guilty of the proliferation

It seems unlikely that the debate will be taken much further before the end of the conference next Tuesday. Even tha suggestion by Mr Kenneth Kaunda, the Zambian President, that leaders of other Commonwealth countries should accompany Mr Trudeau on his round-the-world misison to drum np support for his plan, have fallen on infertile ground.

The four main points of the plan are as follows:

- A conference of nuclear powers should be called to discuss the stabilisation and reduction of nuclear arms. This would associata Britain, France and China with tha two superpowers, thus widening the disarmament debate.

Non-nuclear states should sign tha NPT. There should be a direct link between disarmament and development aid.

- More emphasis should be laid on the mutual and balanced force reduction talks in Vienna.
- Tha testing and deployment of anti-satellite systems operating at high altitudes, which have not yet been fully developed or deployed by either superpower, should be banned. The excessive mobility of intercontinental hallistic missiles should be restricted.

Missiles top Mitterrand agenda with Kohl

By James Buchan in Bonn

PRESIDENT Francois Mitterrand of France arrived in Bonn yesterday for a 24-hour visit which will be dominated by the collapse of the Geneva talks.

Although the centre-right government of Chancellar Helmut Kohl used its parliamentary majority to endorse deployment on Tuesday night, the debate has split the country. M Mitterrand, constantly invoked in the Bundestag debate as a Socialist "chief witness" for deployment and against the opposition Social Democrats (SPD), can never have heen so welcome.

Both Bonn and Paris are pushing themselves forward as intermediaries between the great powers te entice the Soviet Union back into negotiations.

The issue is made complex by Moscow's argument that nuclear weapons in France (and Britain) mean that the present Western deployment is a new twist in the arms spiral, instead of a U.S. answer to the Soviet medium-range missiles. This view is echoed by part of the SPD and of public epinion.

After some false starts, Bonn now recognises that it cannot press France to discuss its nuclear forces with the Soviet Union. But it has supported a project, also raised by M Mitterrand at a speech hefore the UN in September, for a conference of all five major nuclear powers.

Expert opinion in Bonn is not enthusiastic about such a mammoth enterprise and suspects anyway that Moscow only emphasised the third-country forces to justify its hostility to Nate deployment and—now that has begun—its walk-out from the Geneva talks.

However, this view holds that any dislap of good will could help Moscow "out of its cul-de-sac."

In addition, Bonn and Paris desperately need to close their positions if htere is to be any progress in tying np the "package solution" of urgent EEC problems, starting with the Athens summit next month and the French community presidency next year.

There are certain to be differences of opinion aired over monetary compensatory amounts, which are supposed to neutralise the effect on farmers' incomes of currency changes and thus work in the West German favour, and over Bonn's increasing efforts to protect its steel industry from subsididsed competition, not least from France.

Swedish hopes for restructured steel industry dashed

BY DAVID BROWN IN STOCKHOLM

TALKS BETWEEN the Swedish Government and specialty steelmakers collspsed yesterday, dashing hopes for a broad restructuring of the industry which was to have gone into effect at the start of next year.

Mr Thage Peterson, the Industry Minister, said the Government could not extend the special financing and loan write-offs envisaged under the plan without assurances that the steelmakers would take responsibility for expected losses over the next decade.

Leaders of the special steel industry had proposed to guarantee losses of up to SKr 350m (£30m) and to take collective, rather than individual, responsibility for the two new companies which would hove been formed under the restructuring proposal.

The industry has been suffering from weak demand and over-capacity. Last year, it had overall losses of SKr 400m on sales of SKr 5bn, with 75 per cent of turnover generated abroad.

A government special steels commission concluded earlier this year that the cruda steel requirements of four companies could be met by three, or perhsps even two, prodnction units. Similarly, cold-rolled strip and sheet requirements could be met by four of the existing six rolling mills.

Based on a government financing package worth some SKr 700m, partially tied to plant shutdowns, the steelmakers agreed in principle to merge existing operations into two large companies. The first, a smelting and sheet company, would have an estimated 30 per cent European market share. The second, producing cold-rolled strip and welded tubes, would have taken a 22 per cent market share.

From the start, the weaving together of four traditionally rival companies—Avesta, Uddeholm, Fagersta and Sandvik—was fraught with problems. It was unclear which production units would be closed down and how marketing would be reorganised. The two new companies would be highly dependent on the owners to absorb the continuing losses.

Both sides were at pains yesterday to emphasise the "doors are still open" for further discussions. The Industry Minister said new ideas on restructuring from the Government were possible.

Greece seeks EEC curbs on capital flows to U.S.

BY JOHN WYLES IN BRUSSELS

THE GREEK Socialist Prime Minister, Mr Andreas Papandreou, last night advocated EEC controls on capital outflows to the U.S. in an attempt to stimulate European economic recovery.

Unprecedentedly high U.S. interest rates, he said, were imposing "a tremendous drain of liquidity," which did not serva the interest of trade between the U.S. and Europe.

"European savings, instead of being used for investment and restructuring in the European economies are nsed to finance the U.S. budget deficit."

The U.S. must be prevailed upon "by one means or another" to reverse its use of monetary policy ot cover "enormous hudget deficits," he said. As a first step, he urged "strict rules to limit the outflow of caiptal," through taxation or direct controls.

He recognised that capital outflows could not be totally prevented but "even a common move by all European governments to protect their legitimate interests would have a significant demonstration effect which would be felt not only in Europe, but in the rest of the world inclnding the U.S."

The majority of other EEC heads of government lead Centre-Right administrations and Mr Papandreou's proposal is likely to be given short shrift if he repeats it at the Community summit in Athens next month. It was made in a wide-ranging speech at a dinner organised by the Centre for European Policy Studies which revealed that Mr Papandreon has been giving deep tohught to the problems of the European Community.

He confirmed his disenchantment with the current Community instituitons but argued that the summit, over which he will preside, had the opportunity to adapt tha EEC to the interests of a membership which is now very different from the six founding states.

Mr Papandreou emerged as a "big budget" man, implying that his own Government's proposal to raise the ceiling on the Community's budget revenues by about Ecu 12bn (£6.84bn) would not release eoough resources to do what was needed.

Hungary 'will cut debt despite trade outlook'

BUDAPEST – Mr Matyas Timar, presideot of the Hungarian National Bank, said his country will be able in both 1983 and 1984 to chip away at its hard-curreocy debt bill of some $7.3bn despite this year's drought aod sluggish world economy.

"Our net indebtedness will fall in both years," Mr Timar said. Hungary's efforts to cut indebtedness and bolster its trade balance are the keystooes of a coocerted campaign to regain footing after last year's liquidity crisis.

A combioation of external factors at the time led to a sharp drop in the Nabooal Bank's deposits, forcing a crisis which eventually required a bail-out by Western central banks.

Mr Timar doubts that the crisis could occur again. It bad beeo caused mainly by the sudden withdrawal of several millioo dollars in deposits held by certain "oil-producing countries and countries at war in the Middle East," he said. At this point, however, such countries bave "very little" in deposits left in Hungary, he said.

Hungary's foreign reserves have beeo steadily rising since the crisis, but still have not recovered to the pre-crisis levels of 1980 and 1981, he said.

In the case of future borrowings, Mr Timar said Hungary will draw the last remaining tranche of a $600m credit from the International Monetary Fund (IMF) by the end of this year.

He said he hoped that Hungary could "strengthen" its relationship with the IMF in addition to efforts to cootinue relationships with commercial banks for procuring bank-to-bank funds and syndicated credits.

Mr Timar expects that the $500m hard curreocy surplus achieved in 1982 will be "slightly" surpassed in 1983 and further improved in 1984.

The campaign to widen the trade surplus has put a heavy strain on the domestic economy, however, with investments cut and consumption tending to stagnate.

Mr Timar noted that domestic interest rates had been raised "considerably" in 1983 with key rates lifted as high as 14 per cent. He added, however, that these levels were "high enough" and that "we don't plan any changes for the months ahead."

Interest rates in Hungary are set by the National Bank in line with domestic needs and foreign trends, and are then approved by the Council of Ministers.

Mr Timar was sceptical about prospects in the near term for Hungary's most ambitious and most publicised monetary project, the effort to make the forint the first East bloc currency fully convertible with western currencies.

First steps were taken several years ago, but Mr Timar said he did not believe it would happen as early as 1984. "The sitnation isn't ripe," he said. "There are too many problems with the world financial system at this time.

"It hasn't been put off the agenda but it's been delayed," he said.

Commenting on Hungary's general efforts to maintain its reputation with Western bankers, he said he believed that bankers are coming to appreciate the distinctions in Eastern Europe's varioos economies.

AP-DJ

Turkish banks takeover approved by cabinet

BY DAVID BARCHARD IN ANKARA

THE TURKISH Cabinet yesterday authorised the state-owned Zlraat (Agricultural) Bank to take over the assets of three insolvent private banks, in the hands of the Treasury since last March.

The three banks are the Hisarbankas, and the Odibank, both formerly part of the Kozanoglu Cavusoglu group, and the Istanbul Bankasi, part of Has Holding.

Transactions in branches of all three have been suspended until Monday when they will reopen as branches of the Ziraat Bankasi. About 160 branches and 2,800 employees will he informed in the next few weeks whether their services are still required.

Meanwhile the Ziraat Bank has been given funds by the Treasury to pay of the three banks' debts. Any assets remaining will be distributed to shareholders.

The three banks became insolvent aftar a savings crash last year and their fate appears to have been sealed by payments delays on Kozanoglu Cavusoglu's contracting operations in Libya.

- Mr Bulend Ulusu, the Prime Minister, offered his resignation to President Kenan Evren yesterday as the country's new Parliament met for the first time.

Fianna Fail wins Dublin by-election

Ireland's opopsition Fianna Fail easily beld tha Dublin Central seat in a by-election coused by the death of Mr George Colley, a former deputy leader of the party, writes Brendan Keenan. The main government party, Flene Gael, saw its vote drop by some 8 points from the 32 per cent it won in the general election a year ago. Party officials thought maoy of their middle-class supporters stayed away in protest at the goverment's tough tax and spending policies. The total pol was below 50 per cent.

Labour, the junior coalition partner, polled less than 2,000 votes out of a 33,213 total. There is considerable opposition in the constituency to Labour's participation in the coalition.

Another suspect cargo

Swedish Cuslolms are examining a second consignment of goods, this time in Malmo, which they believe is connected with computer equipment which the U.S. claims is being smuggled to the Soviet Union, the customs authority told Reuter in Stockhold yesterday.

Irish offshore well

Gulf oil sald yesterday it has started drilling a first appraisal well ln the Celtic Sea at the spot where it struck oil earlier this year, Reuter reports from Dublin. The well, some 30 miles off south-east Ireland, was spudded on Monday.

W. German rail cuts

West Germeny's stste railways plan lo cut 70,000-80,000 jobs and close 4,300 miles of track by 1990 to try to stem increasing losses, Reuter reports from Bonn. The aim is to cut costs by 35 per cent and raise productivity by 40 per cent.

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Dutch Cabinet firm on pay cuts

BY WALTER ELLIS IN AMSTERDAM

THE DUTCH Government reaffirmed yesterday tbat lt was not prepared to make further concessions to troda unions over public sector pay.

Mr Koos Rietkerk, the Home Affairs and Civil Service Minister, who is handling tbe public pay oegotiations for the Government, said be saw no point in even continuing the discussions unless the unions were ready to concede the necessity for cnts.

The Minister won tbe support of a majority of MPs for bis point of view, with Christian Democrat and Liberal members remaining effectively united in spite of the doubts expressed by some Christian Democrats abont the wisdom of sucb a determloed Cabinet stand.

The Cabinet proposes to reduce public sector wages by 3 per cent from January 1.

The unions, meanwhile, representing some 700,000 public employees, including civil servants, public transport operators, post office workers and customs officials, have stepped up their protest campaign.

They blockaded the Amsterdam stock exchange yesterday, preventing morning trading, and halted most local transport in the Netherlands. There are to be more strikes affecting key services.

Public institutions have begun to count the cost of the campaign. Dutch Railways has lost an estimated Fl 25m (£5.6m) in fares and some Fl 30m as a result of the postal strike.

In all, the action is costing the country an estimated Fl 40m a week. Strikers are also losing pay and could end up considerably worse off than if they had accepted Mr Rietkerk's cuts without a fight.

Information technology concern

BY PAUL CHEESERIGHT IN BRUSSELS

EUROPE will not be able to close the lnformation technology gap with the U.S. and Japan by competing mainly in lnformation technology-oriented consumer goods, a senior West German official said yesterday.

The consumer electronic game has already been played and its outcome was decided in the 1970s, Herr Uwe Thomas, director of the information technology division of the Federal Ministry of Research and Technology in Bonn told the annual conference of the Centre for European Policy Studies in Brussels yesterday.

His warnig came sgainst a background of increasing concern sbout tha fragmented and relatively small information technology effort in the EEC. The sector has been undergoing rapid expansion, but EEC producers' share of a developing market has been eroded.

What is economically important, Herr Thomas said, is to integrate information technology in tbe capital goods industry, to use it for generating productivity, for innovating to protect resources and to manufacture goods which do not damage the environment.

New opportunltles can be found in the integration of microelactronics in motor vehlcles, in the development of office technology and the production of software for plant construction and process control, he said.

"Wa should contiune to manufacture first class colour television sets in Europe—but we should by no means make a second steel industry out of this sector if it should get inte trouble," he commented, a week after the visit of an EEC mission to Japan to seek export restraint in the sector.

Community in bid to end internal trade restraints

BY OUR BRUSSELS CORRESPONDENT

EEC Trade Ministers will seek today to build on recently-established momentum behind the Ten's efforts to remove technical and other legal barriers to trade within the Community.

Some political pressure is being put on today's so-called Internal Market Council by the need to provide a report on progress made since June to the EEC heads of government summit which starts in Athens in nine dsys' time.

Although all governments are ottaching a new priority to "completing" the Common Market, this has not made lt a greot deal easier to sweap away technical objections and political opposition to many European Commission proposals which have been gathering dust for years.

At their last meeting on October 26, Ministers did agree in principle on a directive, due te come into force a year after final adoption, simplifying some border formalities hampering tha carriage of goods between member-states.

In the wake of this achievement, governments have been making some headway towards adoption of a single customs document for the EEC.

The meeting will also be looking for a breakthrough leading to the adoption of 15 technical directives setting common standards for lifting gear, steel gas bottles, aluminium gas bottles, building materials and equipment, apparatus using gaseous fuels, electric lifts, manometers and thermometers

Also incloded are electrical interference with radio reception, electrical medical apparatus, sound levels of pneumatic drills, generating sets for welding, power generators, compressors and lawn mowers.

Adoption of these bas been recently held up by an argument about whether third-country goods satisfying EEC standards should be able to obtain Comcunity certification. France has demanded a baslcally protective procedure which bas been resisted by other member-states.

The way may have been cleared for agreement by a move to shelve three directives governing motor-cars which are at the beart of French concerns.

Adoption would have established an EEC-type approval for motor-cars which might make it difficult for France to maintain current restrictions on car imports from Japan.

But Paris might still block tha 15 directives if France maintains a link with the proposed common commercial policy instrument for dealing with third-country "unfair trading."

Negotlations on this have stalled over the procedure to be employed in agreeing to protective measures.

Iceland urged to maintain tough policies

BY KEVIN DONE

MEASURES TAKEN by the Iceland Government to reduce the country's excessive inflation and its large external deficit "are in the right direction, but they represent only a minimum of what is necessary," claims the latest OECD annual survey of the island's econocy.

Earlier this yeor, inflation in Iceland was running ot annual rale of more than 130 per cent and the country's current external deficit had jumped lo about 10 per cent of gross national product.

Following the general election in April and a package of harsh economic measures in May, infiaton is now falling and Iceland's trading performance is improving. The OECD stresses, however, that the Government must contlnue with restrictive monetary and fiscal policies.

"Success in restoring more stable conditions for viable growth over the medium term may well require a strengthening ef anti-inflation policy and the perseverance with such policies over a prolonged period," says the report.

The May economic package included the suspension of wage-price indexation for two years, limited pay increases up to February, 1984, and a 14.6 per cent devaluation of the krona.

The measures have had their biggest impact en real personal incomes which could fall by as much as 13 per cent over the whole year.

This loss of real incomes is expected to cnt imports sharply, helping to relieve the pressure nn the current account, and although the fish catch is expected to fall again this year, the OECD does expect other exports to expand strongly with the recovery in world trade.

Inflation too has been falling and is expected to be dawn to an annual rate of about 30 per cent by the end of the year. The Government is aiming to bring inflation down below 10 per cent by the end of 1984.

According to the OECD, real GNP could fall by as much as 6 per cent this year, but in its 1984 budget statement the Government forecasts that the decline in GNP will slow next year with a fall of 2.5 per cent.

LEGAL NOTICES

THE COMPANIES (WINDING-UP) ACT, 1977

NOTICE OF WINDING-UP ORDER

Nome of Company:	Ajax Insurance Company Limited
Address of Registered Office:	Clarendon House, Church Street Hamilton, Bermuda
Court:	The Supreme Court of Bermuda
Number of motter:	1983: No. 74
Dote of order:	17th November, 1983
Dote of presentotion of petition:	21st March, 1983
Appointment of Joint Provisional Liquidotors:	A. Verbena Daniels, Official Receiver and Charles W. Kempe, Jr
Address of Joint Provisional Liquidators:	Government Administration Building, Parliament Street Hamilton, Bermuda
Attorneys for Joint Provisional Liquidotors:	Appleby, Spurling & Kempe 30 Cedar Ave, Hamilton, Bermuda

PERSONAL

COMPANY NOTICES

NOTICE TO BONDHOLDERS
F. L. SMIDTH & CO. A/S
U.S. $20,000,000
9½ PER CENT BONDS DUE 1988

Bondholders are hereby informed that the January 1, 1984 Redemption Instalment of U.S.$1,325,000 has been fully satisfied through purchases in the open market, leaving a balance remaining in circulation after this date of U.S.$12,050,000.

THE CHASE MANHATTAN BANK, N.A.
Principal Paying Agent
November 25, 1984

AMERICAN NEWS

Jamaica devalues by 57% against dollar

BY CANUTE JAMES IN KINGSTON

JAMAICA has devalued its currency by 57 per cent against the U.S. dollar in order to meet conditons for $180m in new credits from the International Monetary Fund.

Mr Edward Seaga, the Prime Minister and Finance Minister, announced that the new exchange rate will be J$3.15 to one U.S. dollar. The devaluation has ended a three-tiered exchange rate system which has operated since January.

The devaluation follows an impasse between the Government and the IMF over economic performance criteria for a three-year extended fund facility scheduled to end next March.

The Government said it had met the criteria for the quarter ending September, and was eligible for the remaining $80m from the facility, but the IMF disagreed with the methods Jamaica had used to compute its figures.

The new loans, in the form of a standby facility, will be drawn down between January and March of 1985.

The new agreement with the fund is likely to simplify the island's efforts to obtain a new schedule for repaying about $150m which is owed to several creditor banks.

Mr Seaga did not refer to the request for rescheduled payments, which is being co-ordinated by the Bank of Nova Scotia. The Government wants the loans, due between now and March 1985, to be rolled over into a single package maturing in 1990.

The devaluation will fuel a round of price increases, pushing inflation well above the 18.5 per cent annualised rate for this year. Inflation last year was 6.5 per cent.

Fuel and food prices will jump, although Mr Seaga indicated that Government subsidies will be used to hold food prices until the end of the IMF credit facility.

The Prime Minister forecast that the devaluation would increase earnings from Jamaica's raw material and agricultural exports, and from tourism.

It is the fourth time in eight years that Jamaica has failed to meet performance criteria agreed with the IMF.

The last occasion was in March, after which the Government applied for, and btained a waiver of the criteria. Releasing remaining tranches from the $650m three-year facility granted in 1981.

The Government has also scrapped requirements for foreign exchange quotas and import licences for the business community, removing one source of disagreement with the local business community.

Cuban aid workers quit Nicaragua

CUBA HAS withdrawn over 1,000 advisers and technicians from Nicaragua. The move was prompted by the Cuban leader Dr Fidel Castro's desire to lessen his country's involvement in Nicaragua following the invasion of Grenada, Our Foreign Staff writes.

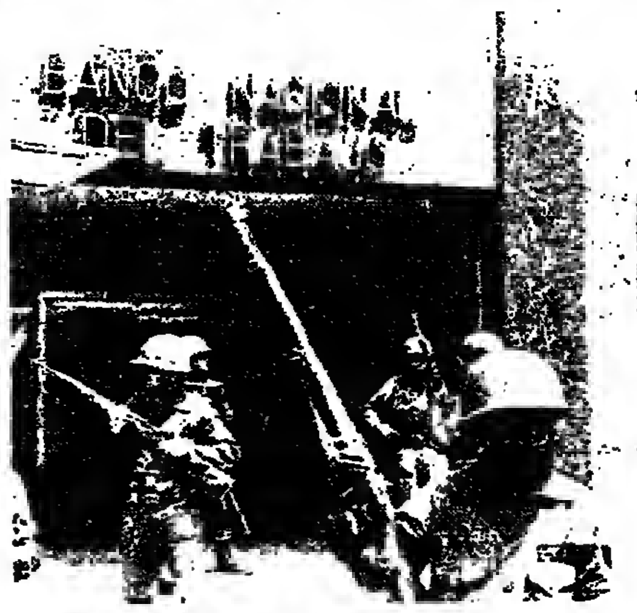
News of the Cubans' departure was revealed on Wednesday by the New York Times and confirmed yesterday by sources in Nicaragua close to the Sandinista government. The Nicaraguans have never given precise figures on the number of Cubans helping in teaching, civilian reconstruction, agricultural projects and in training the armed forces.

However, there are believed to have been over 6,000, with some 2,000 acting as teachers. Dr Castro recently said that there were only 200 military advisers, though U.S. officials claim there are more.

Pinochet sidesteps the minefield

BY ROBERT GRAHAM, LATIN AMERICA EDITOR, RECENTLY IN SANTIAGO

"BEFORE, we used to spray anti-Pinochet slogans on the walls at night and run; now we can do it during the day unhurried. This is about all we have achieved so far from the protests in Chile." This rueful comment comes from a student leader in Santiago, who two months ago thought the end of the Pinochet dictatorship was close at hand. Now he is revising his opinion.



Soldiers guard a Santiago bank during a day of protest.

By offering a measure of liberalisation and astutely exploiting the weakness of his opponents, Gen Pinochet has bought himself a breathing space. After being badly shaken by the wave of protest that has swept Chile this year, he has recouped some support from among the middle classes.

Government officials felt confident enough to dismiss in advance last Friday's protest rally in Santiago, attended by some 200,000 people as having no more impact than a rowdy football crowd would have on an unpopular referee.

Their attitude may be over confident, given the underlying seriousness of Chile's social and economic problems, but it shows that Gen Pinochet can still hold the initiative.

Gen Pinochet has benefited from a fragmented opposition — political parties were banned in the wake of the overthrow of the late President Salvador Allende — and have been in the wilderness for 10 years. They were caught even more unprepared than Chile's leader by the popular protest movement which began in May.

The protests originated in the trades union movement, organised by a new and younger leadership unconnected with the Allende era. The main figure to emerge, Sr Rolfo Segeul, head of the powerful copper workers' union, is aged only 30.

The stimulus for the protests was the vertiginous 14 per cent drop in gross domestic product last year, which caused a sharp rise in unemployment. Over one third of Chile's 3.7m labour force is now either out of work or employed below minimum wages in public works programmes.

The political parties were at first swept along in the wake of the protests, but from August onwards sought to get on the bandwagon. The monthly protests became more formalised and ritualistic events, yet without any clear strategy or objective. Differences of approach emerged and now the Centre and Right parties, which have formed the Democratic Alliance, are clearly alarmed at backing violent anti-Pinochet action.

Political differences were compounded by Gen Pinochet's appointment in August of the former head of the Right wing National Party, Sr Sergio Jarpa, as Interior Minister and effectively Prime Minister. Sr Jarpa's brief was to establish a dialogue with the political parties, paving the way for their legislation within the framework of a "guided democracy" by 1989. The Democratic Alliance, dominated by the Christian Democrats, responded eagerly to Sr Jarpa's overtures — as much as anything to isolate the Left.

The Left, more than two months after forming into a front, the Popular Democratic Movement (MDP), is still badly split between those who believe a dialogue is the best means of achieving a return to democracy and those who insist that Gen Pinochet must be toppled.

Neither of these two broad opposition alliances have obtained the unequivocal support of the trades union movement, which itself is disunited.

These divisions have helped Gen Pinochet's policy of divide and rule. He has refused to countenance the legislation of the Communist Party, which accounts for about 12 per cent of the vote, putting the other parties in a quandary.

The armed forces have kept studiously out of the debate, except for one leading figure, Gen Fernando Matthei, commander of the Air Force, who has said he would be willing to sit down with the Communists. Taking advantage of this infighting, Gen Pinochet has stalled Sr Jarpa's dialogue with the Centre and Right, raising doubts about his serious intentions towards liberalisation.

The immediate dangers to Gen Pinochet are on two fronts. First, there may be limits to the use of the armed forces in controlling demonstrations. The chief government spokesman, Sr Alfonso Marques de la Plata, conceded that their use in September was an error.

Secondly, Gen Pinochet risks a showdown with Sr Jarpa. Close colleagues say he is sincere in wanting to liberalise the regime and will resign if he cannot get his way. If this happens, Gen Pinochet has no skilled intermediary acceptable to the political parties.

On the other hand if Sr Jarpa is allowed to continue unharassed, then Gen Pinochet will have to give ground, perhaps even be pushed into a figurehead role. This he seems unwilling to contemplate before 1989, the date set down in the 1980 constitution.

Gen Pinochet is, therefore, surviving by side-stepping the mines rather than defusing them. His confidence that he can ride out the present storm would be better based if he could count on an improvement in the economy. But the economic indicators show no positive sign of recovery and an explosive mass of unemployed is the regime's achilles heel.

Commonwealth heads divided over Grenada

BY ROBERT MAUTHNER AND JOHN ELLIOTT IN NEW DELHI

THE RECENT U.S. invasion of Grenada yesterday provoked a sharp rift at the Commonwealth Heads of Government meeting in New Delhi and almost certainly ruled out a condemnation of the military intervention in the final communique.

Most of the criticism of the U.S. action and of the Caribbean states that supported it came from the African states, led by Dr Kenneth Kaunda, the President of Zambia, and Mr Robert Mugabe, Prime Minister of Zimbabwe.

One of the prime ministers present, believed to be Mrs Indira Gandhi of India, was reported as saying she had never heard of such specific attacks being made on any of the member countries by other members during the four commonwealth conferences she had attended.

The African leaders, supported by others including those of Muritius and the Solomon Islands, said the entire Commonwealth convention of non-intervention in the internal affairs of a member country had been attacked and destroyed.

The invasion was in total contravention of all the principles of international law and against the United Nations charter. In particular, they raised the question of how Commonwealth countries that supported democracy could participate in what was patently a very undemocratic action.

Dr Kaunda and Mr Mugabe said the whole affair had profound consequences for the independent countries of black Africa. If it were accepted the U.S. and some Caribbean countries could invade another country in the region because they did not like its internal situation, then South Africa would consider that it had the right to invade neighbouring African countries.

"You will be throwing us to the lions if you do not deplore the invasion of Grenada," they said.

However, the eastern Caribbean states which supported the U.S. action were not contrite. The leaders of Antigua and Barbuda, St Kitts and Nevis and Miss Mary Eugenia Charles, Prime Minister of Dominica, stressed that the intervention in Grenada had been "a rescue mission," not an invasion.

It had certainly not been undertaken for ideological reasons, they said. The Caribbean states had lived with Mr Maurice Bishop, the late Grenadian leader and his particular brand of marxism for several years without intervening, they stressed. But the presence of Cuban arms and personnel in Grenada and the coup which overthrew the legal government of the island had created a dangerous situation that could have spread throughout the region.

The members of the Organisation of Eastern Caribbean states (OECS) expressed their intention to set up a regional security force in the area so that, in future, they could look after their own security.

Mrs Margaret Thatcher, the British Prime Minister was seen to be keeping a low profile during the whole of yesterday's debate on Grenada, but said she had found the speeches of the Eastern Caribbean leaders "profoundly moving." It was clear that Britain did not want to offend the U.S. over the issue.

Mrs Thatcher said the Commonwealth leaders should now look to the future and, during their weekend meetings in Goa, discuss what could usefully be done to guarantee the security of small states.

The UK and Australia have already offered to provide any help the Grenadians and other Caribbean states may request. This is likely to take the form of police training and assistance in the organisation of free elections.

NEW DELHI — Alastair McIntyre, a Grenadian economist named two weeks ago as head of the island's temporary Government, will be unable to take up the post because of illness, the commonwealth secretariat said yesterday.

Commonwealth Secretary-General Shridath Ramphal said that Mr McIntyre, 51, needed four months of medical treatment in Geneva, where he has been based as a U.N. official. The announcement was made to Government leaders attending the commonwealth summit in Geneva. It was not known yet whether the commonwealth secretariat would be involved in trying to find a successor. McIntyre is deputy Secretary-General of the U.N. Conference on Trade and Development (Unctad). Reuter

Mexico aims for $1bn annual trading deficit

BY WILLIAM CHISLETT IN MEXICO CITY

MEXICO is planning to run a current account deficit of $1bn next year, after a surplus of more than $4bn in 1983, as part of its strategy to stimulate a modest economic recovery.

Sr Angel Gurria, the director general of public credit, said the deficit took into account imports of $13.8bn in 1984, up from a minimum of about $8bn this year, interest payments on the $85bn foreign debt of $10bn to $11bn and repayments of borrowing principal of about $4.5bn.

He said the deficit would be financed by $3.5bn to $4bn from international banks, $1bn of U.S. agricultural credit for food imports, around $1bn of credits from multilateral financial institutions like the World Bank and another $1bn from official agencies like Eximbank of the U.S.

Mexico's formal discussions with its international bank creditors over the terms of the loan have been put back two weeks to December 12 to allow a team from the International Monetary Fund (IMF), which has a stabilisation programme with the country, to look at the progress the Government is making

WORLD TRADE NEWS

Brazil, Nigeria to revive bilateral trade

BY ANDREW WHITLEY IN RIO DE JANEIRO

BRAZIL and Nigeria have agreed to conclude a 90-day payments convention, in the hope that this will revive a bilateral trade which has slumped to a quarter of its 1981 peak of $1.5bn.

Nigeria's difficulty in making payments abroad was identified by Sr Carlos Viacava, the Brazilian trade chief, as the principal obstacle to a potentially large revival in their trade. "It wants to buy everything, everything," he reported in Rio de Janeiro on Wednesday, on his return from a tour of five African countries with President João Figueiredo.

Sr Viacava said the Nigerians had expressed an interest in a wide variety of Brazilian domestic goods, such as lamps, ovens and refrigerators, as well as clothes, cars and foodstuffs, including chicken and meat.

However, arrears on payments to private Brazilian companies have climbed to about $150m, equivalent to 60 per cent of a last year's exports to Nigeria, he admitted. Volkswagen do Brasil and the Brazilian subsidiary of Mercedes Benz, which supply Nigeria with CKD cars and built up buses, are probably the worst affected companies.

The Brazilian trade chief said a mission from the Nigerian Central Bank would be visiting Brazil soon to discuss a credit payments arrangement. This would probably have a ceiling in the range of $100m to $150m, with accounts settled every quarter.

President Figueiredo

Brazil already operates similar conventions with Argentina and Mexico, which it uses to import grain and oil.

During President Figueiredo's visit to Lagos the two governments also agreed to establish military ties, including the training of Nigerian officers in Brazilian military académies, and the sale of Brazilian weapons to the Nigerian armed forces.

Press reports said arms sales worth up to $2bn were being discussed.

The target is to increase Brazilian exports to Nigeria to $500m a year level, double last year's total of $245m. In 1981 Brazilian exports, mostly of manufactured goods, came to $729m.

UK group shares in barge route to Mid-East

By Hazel Duffy, Transport Correspondent

A NEW transport route to the Middle East making use of catamaran barges on the River Danube has been set up following an agreement between Cave Wood Transport, a UK company, and Donau-Lloyd Mat.

Donau-Lloyd Mat is a company which has been formed by Bayerischer Lloyd of West Germany and So-MAT, a Bulgarian transport operator.

The specially designed roll-on / roll-off catamaran barges currently entering service will take trailers down the Danube from Passau in southern Germany to Vidin in Bulgaria.

The trailers will then proceed via the Bulgarian road network through Turkey to Iran, Iraq, Kuwait, Jordan, Afghanistan and Pakistan.

A major advantage of the waterway connection, the company claims, is that British shippers will be able to avoid permit restrictions and heavy road taxes.

The Danube leg of the journey will take between four and five days, with loading and discharging, and will permit a saving in freight rates for the full journey of about 10 per cent.

Three front-runners for Pakistan road

BY JOHN ELLIOTT, SOUTH ASIA CORRESPONDENT, RECENTLY IN ISLAMABAD

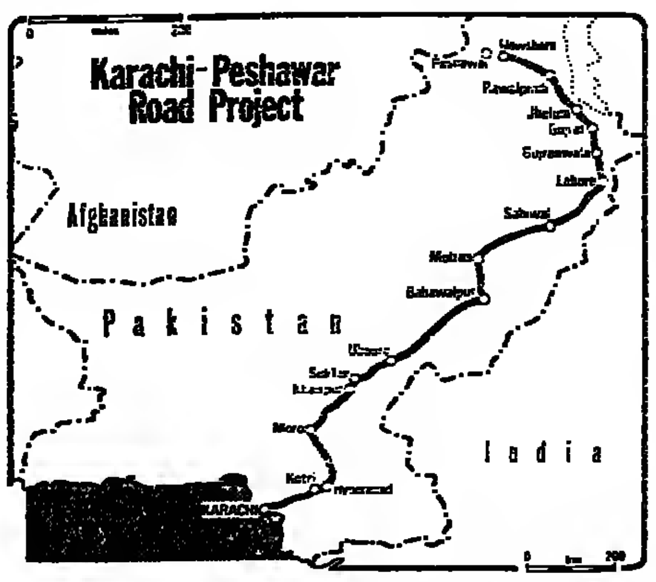
THREE INTERNATIONAL groups of contractors and financial organisations including companies from the U.S., Europe and Asia have emerged as front runners for financing and building of a $700m, 1,540 km road building project that will form part of Pakistan's national highway.

The Pakistan Government is giving the project "first priority" in the highways section of its sixth five-year economic plan (1983-88). The cabinet is expected to consider the bids by the end of the year.

The total project is one of the world's largest road-building schemes. If it goes ahead as planned, it will test the viability of a basically private sector financed operation which many institutions and governments believe to be impractical.

The national highway runs from Nowshera, near Peshawar, a few miles from Pakistan's northern border with Afghanistan at the Khyber pass, to the Arabian Sea port of Karachi in the south. Not only is it a vital route for conventional commercial business, it is understood to be a conduit for the heroin trade.

In their invitations for bids the Pakistan Government has reduced a list of 10 possible groups to six, three of which have already declared the names of their banks and appear to be the front runners.



One of the three is Indus Highway Constructors, which has the support of the U.S. Government. It has been formed by Dillingham of the U.S., and includes Gammon Pakistan as well as Nasa, a Peshawar-based company which might link up with Pauling of the UK. Several local contractors might take responsibility for individual sections.

The second is Pakistan Highway Contractors. It has the backing of the Italian Government which has offered special export credits with a Euro-currency loan. It is led in Pakistan by Adamjee Construction, part of the Karachi-based Adamjee family's group of companies, and includes international contractors such as Impresit of Italy and Hyundai of South Korea

The third group has only tendered for the southern section of the road in the province of Sind. It includes Al-Hussaini of Saudi Arabia whose Government is providing support, and ADA, a Pakistan public sector airport construction company.

The other three groups are: DMN of the U.S., led by John Driggs of Washington DC; Traders and Contractors of Hong Kong, and Zubair Associates of Pakistan. The winner will be chosen on the basis of the total financial package offered, not the basic construction tender.

The Pakistan Government wants the successful group to provide some $500m in finance and will subscribe about $150m itself as equity. The contractor's funding will be a 16-year loan covering 10 years construction and six further years for repayment. This brings the total gross cost to an estimated maximum $900m including interest. Tolls will be charged.

The National Highways Board, which is responsible for the project, wants to repay loans by using 90 per cent of the annual toll receipts, which are estimated to be $1bn after 10 years full operation.

DMN is believed to have submitted the lowest construction tender of $610m compared with $674m by the Adamjee organised group and $743m by the Dillingham group. DMN's total finance package cost is not known. Adamjee is believed to be the lowest at $905m. The Dillingham package is thought to be $1.25bn.

Dillingham has suggested that the existing highway, which the Government had intended to improve separately over a long period, should be rebuilt in sections as soon as traffic can be switched to the new road. This would add an estimated three years to the 10-year construction programme, but would mean that tolls could be charged immediately on both carriageways.

India takes first step to small computers

By John Elliott in New Delhi

THE INDIAN Government has taken the first step towards possible manufacture of micro-computers.

One of its publicly-owned electronics corporations, Semi-Conductor Complex of Chandigarh, has ordered 200 of the Acorn BBC type of micro-computer, being presented as a gift this week to the President of India, Mr Zail Singh, by Queen Elizabeth.

The Indian Government is now beginning to explore the potential for using micro-computers in schools. Dr P. P. Gupta, Permanent Secretary of the Department of Electronics in Delhi, discussed this during a recent visit to London.

The Semi-Conductor Complex order was confirmed at the end of last month and is worth some £700,000. Later, the Government is likely to draw up plans for assembling knocked-down kits and then manufacturing in India although no firm plans have yet emerged.

This development coincides with the Electronics Department examining four proposals from four companies based in the U.S., UK and France, for a joint venture manufacturing large and medium-sized computers in India.

Russia threatens ban on Ladas for E. Germany

BY LESLIE COLITT IN EAST BERLIN

THE SOVIET UNION has told East Germany it will halt deliveries of Lada cars next year if it does not receive the most modern East German machinery and the highest quality consumer goods in return.

East European trade officials said East Germany is taking the warning seriously as Moscow abrupty cancelled its annual export of some 30,000 Lada cars to East Germany in 1981.

Deliveries were resumed last year and the Soviet cars currently account for nearly 20 per cent of the East German car market.

East Germany cannot afford to buy cars in the West and other East European auto-manufacturers such as Skoda and Polski Fiat would rather sell to the West for hard currency than to East Germany.

Moscow is said to be especially eager to obtain large quantities of East German furniture and food processing equipment to improve the lot of the Soviet consumer.

East Germany sells much of its furniture and its best machinery to the West in order to pay off the more-than-$8bn it is estimated to owe Western banks this year and next.

East Germany is said to be contemplating a sharp increase in its current production of 171,000 cars annually. However, this would entail heavy investments which the country cannot afford.

'New tyre' developed

HANOVER — Continental Gummi-Werke has developed a new tyre that could be in production in four to five years and has a market potential of around 30 per cent in the U.S., Japan and Europe, Herr Helmut Werner the company's chairman, said yesterday.

The new tyre hooks over the rim of the wheel rather than hanging from it, has a 10 per cent higher life expectancy than a standard tyre and offers 15 per cent less road resistance, according to Conti calculations.

Other advantages claimed by Conti are that the new tyre is lighter than the standard one, has better wet-weather grip, more room for brakes and better performance if punctured.

The tyre has only been tested on cars so far but is also intended for trucks, and Conti estimated it will produce a 3 per cent fuel saving for cars.

Reuter

Renault unit to set up joint venture

RENAULT AUTOMATION, a unit of the French state-owned Renault motor group, is to set up a joint venture with Coherent, the U.S. group which specialises in laser technology, to design and manufacture machines and automated systems using laser beams.

The agreement calls for Renault Automation to acquire a 51 per cent stake in Coherent's French subsidiary, Laser Optronic France. The company, which will change its name to Laser Systems, will design and market machines and systems to be manufactured by Renault Automation.

The venture will concentrate on applying laser technology to machines and systems involving cutting, drilling, welding and heat treatment operations. Renault said the venture will be open to other French partners.

Cern raises UK share of budget

Financial Times Reporter

BRITAIN'S Science and Engineering Council faces a £7.5m ($11m) shortfall because the UK Treasury has made no provision for the council's increased contributions to the European Centre for Nuclear Research (Cern), an international physics laboratory near Geneva.

The council is the British Government's agent for contributions to Cern. Cern calculates the annual contribution of each of its member states in Swiss francs and bases it on the gross national product of each contributor. Britain's share has been raised from 14 to 16.1 per cent for the next three years.

Call for UK push in West Africa

By Peter Blackburn in Abidjan

BRITISH businessmen have been urged to make a greater effort to win a larger share of West African, especially French speaking markets, worth some $26bn in 1982.

British exports to 22 countries from Mauritania to the Congo amounted to only $2.6bn in 1982 of which 75 per cent went to Nigeria, according to IMF trade statistics.

"Exporters should look beyond Nigeria. There are another half dozen countries maintaining annual imports at over $1bn despite the recession," Mr Michael Daly, head of the West African department at the Foreign Office, said in Abidjan this week.

Addressing some 50 British businessmen attending the first conference organised by the Confederation of British Industry in West Africa, Mr Daly said good opportunities existed in French-speaking countries such as Cameroon, Gabon, Congo and the Ivory Coast.

Speakers singled out Cameroon, the region's newest oil exporter, as the brightest prospect.

Cameroon remains under-borrowed with total external debt of $2.6bn and a debt service ratio of 12 per cent.

"British businessmen are five years late in Cameroon," one speaker complained. However British companies will be given the chance to make up lost ground there when a £40m mixed credit aid package is signed shortly.

OVERSEAS NEWS

Threat to Australian uranium project

By Michael Thompson-Noel in Sydney

THE president of the Australian Council of Trade Unions (ACTU), Mr Cliff Dolan, threatened yesterday to block south Australia's controversial A$2bn (£1.2bn) Olympic Dam copper-gold-silver-uranium project when it eventually gets under way.

However, Mr Frank Mitchell, federal secretary of the main union involved, the Australian Workers' Union (AWU), issued an immediate rebuff to Mr Dolan, saying work would proceed.

A go-ahead for the Western Mining Corporation-BP Australia project, near Roxby Downs, came earlier this month when Mr Bob Hawke, Australia's Prime Minister, routed leftwing opposition to uranium mining within the ruling Labor Party.

Olympic Dam is thought to contain at least 1.2m tonnes of uranium, plus large reserves of copper, gold and silver.

However, other uranium projects, such as Jabiluka and Koongara, in the Northern Territory, and Yeelirrie, in Western Australia, will not proceed under the Hawke plan, which means that the Government's problems with uranium are just starting.

Mr Dolan, who is in Geneva for a meeting of the International Labour Organisation, was reported yesterday as saying that next month the ACTU executive would plan a campaign of obstruction against Olympic Dam.

He said the ACTU would probably call a meeting of affiliated unions involved in uranium production, and issue a stern rebuke to the Government for watering down Labor's official anti-uranium policy. Mr Hawke is himself a former ACTU president.

However, the AWU's support for the project severely undermines Mr Dolan's renegade stand. The AWU will have almost executive control of construction and production at Roxby Downs, with about 300 members already on site. Production is unlikely to commence before 1990.

Unions such as the Transport Workers, the Waterside Workers Federation, and the Seamen's Union, could disrupt delivery of construction materials—and halt uranium exports—if they wanted.

But they are doing nothing to compromise production at Australia's existing uranium mines, Ranger and Nabarlek, both in the Northern Territory.

A spokesman for the Waterside Workers Federation said last night it was too early to predict whether the union would handle uranium shipments from Roxby Downs.

Sri Lanka peace formula sought

By John Elliott, South Asia Correspondent in New Delhi

FOUR months after ethnic riots upset the political stability of Sri Lanka and cast doubts over its economic future, a possible peace formula is being thrashed out to deal with the island's communal tensions.

The Indian Government has been acting as intermediary between the minority Tamil group, which was the victim of devastating attacks late in July, and the majority Sinhalese community which runs the Government.

This week, the arena for talks has moved to New Delhi where urgent diplomatic activity has been taking place on the fringe of the Commonwealth Heads of Government meeting.

Mrs Gandhi, the Indian Prime Minister, is concerned over the Tamil problem because the people are closely linked with the southern Indian state of Tamil Nadu and because she believes India has a role to play in South Asia as a major power.

This week she has met Mr Jayewardene, the island's president, and supporters of the Tamils including Mr S. Thondaman, Sri Lankan Minister of Rural Industries and a guardian of some 300,000 Indian Tamils on the island.

She also met Mr A. Amirthalingam, secretary-general of the Tamil United Liberation Front (TULF). He is one of 16 MPs who have effectively resigned from the parliament because they are not prepared to obey a law introduced three months ago requiring them to renounce calls for separatism.

He says he dare not return home for fear of attack or arrest.

The Tamils, ranging from moderate MPs to terrorists known as Tamil Tigers want to ensure their stake in the island. The Sinhalese, jealous of the Tamil's success in business and worried about the power of this significant minority, want to reduce their impact.

The Sinhalese view ranges from extremists who were behind the anti-Tamil violence in late July to moderates who merely want a stable settlement which will allow the island's tourist business and industrial investment to grow.

The main proposals thrashed out in Sri Lanka during a recent visit by Mr G. Parthasarathy, Mrs Gandhi's special envoy, concede many Tamil demands, but there are still some stumbling blocks.

The concessions include modifications to existing plans for 24 district development councils, making them powerful regional councils.

The Middle East map may need to be redrawn reports **Roger Matthews** in Amman

Fear and hope as Jordan weighs the risks

WHATEVER the fate of the Palestine Liberation Organisation and Mr Yassir Arafat, the future of the Palestinian people remains inextricably linked with that of Jordan. People of Palestinian origin form at least 60 per cent of Jordan's estimated 2.4m population and another 1.3m Palestinians live under Israeli occupation on the West Bank of the Jordan River and in the Gaza Strip.

King Hussein

This total of over 2.6m contrasts with a maximum of 20,000 guerrillas who claim to represent the Palestinians, and who for the past weeks have been busy killing each other with Syrian assistance in and around the northern Lebanese port of Tripoli.

Today Jordan is bringing down its security shutters in response to the turmoil within the PLO and what it believes will be the most determined attempt to disrupt the country since King Hussein ejected the Palestinian guerrillas in 1970.

"Seldom has one been so frightened about the future of this area," one of the country's political leaders said yesterday. He was referring principally to the mood of extremism which has been fanned by the collapse of the Reagan plan, the tightening Israeli grip on the West Bank and Gaza, the fighting in Lebanon, the battle between rival Palestinian factions, and the ambitions of Syria.

But he also had very much in mind the fact that since October 13 there have been six attempted terrorist attacks in and around the capital, for which King Hussein has publicly blamed Syria and Libya. The King said earlier this week that the two countries had mounted "a dangerous and criminal conspiracy."

The failure of the Arab League, in particular the Gulf States, to check Syria's obvious attempts to hijack the PLO has intensified the debate within Jordan over the response it should now make. King Hussein has already pointed to one possible answer — the recall of the Jordanian National Assembly, which has not met since the West Bank was seized from Jordan by Israel in the 1967 Middle East war.

The parliament was finally prorogued in 1974 after the Arab summit in Rabat agreed to recognise the PLO as the sole legitimate representative of the Palestinian people. To recall it now would defy that resolution, but could create the type of forum that President Reagan called for in his initiative and which King Hussein and Mr Arafat failed to achieve last April.

Leading Jordanians admit that such a move would provoke additional hostility among Arab radicals, especially Syria, but believe there is even greater danger in remaining passive while the majority of moderate Arab regimes are being dictated to by the radical minority.

"It looks very much to me as if the Middle East may be in for a period of redrawing political, and perhaps physical, maps. The worst thing we can do is remain silent. We have to be seen to be positive and to be courageous, or we run the risk of being swept away by a tide of radicalism," said one official.

Ideally, Jordan would like majority Arab backing before embarking on such a high risk strategy, and would favour abandoning the traditional Arab requirement of trying to achieve a consensus on major issues. "The idea of consensus has been buried by Syria during the past few months. We have no reason to be embarrassed by opting instead for a clear majority," commented a leading member of the Government.

He added: "We must attempt to give some hope to the people on the West Bank, where there is a mood of growing desparation. We also have to provide hope for our own population, 65 per cent of whom are under 25 years old."

It is believed at the highest levels in Amman that most of those of Palestinian origin would welcome the opportunity to have their own voice in a reconstituted parliament. But it is also recognised that leading Palestinians, among them those who have been ejected by Israel from the West Bank, would need both physical courage to come forward and probably the blessing of that part of the PLO not under direct Syrian control.

Much will depend on whether Mr Arafat manages to negotiate his way out of Tripoli and whether his experiences there will have persuaded him of the need to co-operate with King Hussein in the search for a West Bank and Gaza settlement. There is an open invitation for Mr Arafat to visit Amman for talks, but no intention that he should be allowed to make his base in Jordan.

However, there are cautionary voices, among the Jordanian establishment arguing against becoming further enmeshed in Palestinian problems. Perhaps their most telling argument is that King Hussein could not be remotely confident of a positive response from Israel if he were to suggest negotiations in co-operation with Palestinian representatives.

The risk that Jordan could become the victim of both Syrian and Israeli ambitions is the one issue which seems to unite most shades of Jordanian opinion. Jordanians are acutely sensitive to Israeli claims that a Palestinian state already exists in Jordan. They fear equally that the regime in Syria may have come to the same conclusion.

It is pointed out that the two regional powers appear to share an interests in preventing a successful negotiated settlement in the region, just as they have both supported Iran in its three-year war Iraq. Tentative attempts by Jordan to open a dialogue with Syria immediately met a demand from Damascus that Amman must first turn its back on Iraq.

Jordan's capacity to meet that threat, and its willingness to pursue a negotiated Middle East settlement will ultimately rest on the attitude of the U.S. and whether Washington can convince King Hussein that President Reagan is sincere in the pursuit of his September initiative.

Emotion runs high as prisoners are freed

BY DAVID LENNON IN TEL AVIV

JOYOUS Israelis and Palestinians welcomed home their sons, brothers and husbands yesterday, as Israel and the PLO carried out one of the largest and most one-sided prisoner-of-war exchanges in recent history.

Israeli mothers wept as the six young Israeli soldiers held by Fatah in Tripoli, Lebanon, arrived home after 14 months. "It's the greatest day of my life," said Pte Abraham Mintabelski as he was reunited with his family.

In southern Lebanon, families rejoiced as 4,700 mainly Palestinian and Lebanese prisoners were released from the Ansar detention camp. Even the curfew imposed on the area by Israel could not dampen the happy mood, especially within the refugee camps.

But there was also considerable concern among the Israeli military over the implications of the release of such huge numbers of Palestinian guerrillas.

The main fear is that the former prisoners, both the 1,100 who chose to go to Algeria and the 3,600 who are remaining in Lebanon, will return to active service and inject fresh blood into the ranks of the PLO, especially in Israeli-occupied Lebanon.

"We will return to fight," cried many of the released Palestinians, as they gave the "V" for victory sign. At Tel Aviv's Ben Gurion airport, where three Air France jumbo jets waited to take 1,100 guerrillas to Algeria, some kissed the ground, saying: "My beloved Palestine," and then sang the Palestinian anthem. One spat at an Israeli policeman as he ran to the waiting aircraft.

The Israeli soldiers and policemen gritted their teeth as they watched the departure of the prisoners, who wore new track suits provided by the Red Cross. Some said they expected the released prisoners to resume the guerrilla war against Israel.

"Within a week, they will be helping Arafat," said one soldier, reflecting a widespread feeling that the release of so many Palestinians would strengthen the position of the beleaguered PLO chairman.

Mr Yitzhak Shamir, the Prime Minister, said that Israel had paid a heavy price for the release of its six soldiers, but added that the imminent danger to their lives, because of the fighting in Tripoli, was the decisive factor. The Premier said that the PLO is in bad shape.

Taste of freedom: Some of the 4,500 Palestinian detainees released in a lopsided swap for six Israeli POWs seen boarding a flight for Algeria at Ben Gurion airport, Israel

He also cautioned the released Palestinians against returning to the path of guerrilla warfare against Israel. It had not worked before and would not work in the future, Mr Shamir said.

There was also jubilation among the Palestinians on the Israeli-occupied West Bank and among the Arab community in Israel. The release of 63 Palestinians held in Israeli prisons was welcomed, even if these former detainees were immediately deported from Israel.

Mr Elias Freij, the mayor of Bethlehem, said: "I hope this will be the beginning of a new movement towards reconciliation

The prisoner swap came after many months of secret negotiations involving former Austrian Chancellor Bruno Kreisky, the International Red Cross and the French Government.

Possibly the hardest pill for the Israelis to swallow was the release of more than 60 of the guerrillas serving sentences, including life, for sabotage actions which had killed Israelis. There were five women among these prisoners, including one who participated in the attempted hijacking of a Sabena passenger plane in 1972. Some of those released had carried out dozens of sabotage actions.

Another 29 PLO men, captured within the last two months when their boats were stopped between Cyprus and Lebanon by Israeli gunboats, were also released yesterday.

Why Captain Jabril is not the new Arafat

BY PATRICK COCKBURN IN BEIRUT

THE SIEGE of Tripoli, whether it ends in evacuation or assault, means that Mr Yassir Arafat becomes a guerrilla leader without an army. His remaining men, including the 4,000 released by the Israelis, will be largely disarmed and scattered around the Middle East.

His rebel opponents, who wish to displace him as head of the Palestine Liberation Organisation (PLO) suffer from the opposite failing. They have a small army but no political credibility or following among Palestinians or the rest of the Arab world. Events in Tripoli have marked them as having little independence from Syria.

Driven from Beirut last year the PLO is left without a base free from the influence of one or other Arab state. It seems doomed to be divided into a pro- and anti-Arafat PLO, each group with its supporters in the Arab world, pursuing internecine feuding as its influence diminishes.

The siege of Tripoli, which began on November 4, was the culmination of two processes which started after the PLO was evacuated from Beirut last year. These were the progressive alienation of Syria by Mr Arafat and the growth of dissatisfaction within the PLO, above all its largest faction Fatah, at the style and content of his leadership.

When Mr Arafat withdrew from the Lebanese capital in August last year he claimed a political and moral victory, never appearing to recognise the political consequences of having lost the independent enclave which the PLO had created in West Beirut. He did not see that he no longer had the room to manoeuvre which he had enjoyed for over a decade.

Those of his military units still in the area were in east and north Lebanon and Syria. Despite this, Mr Arafat pursued the dangerous policy of giving a guarded welcome to the Reagan plan for West Bank autonomy and talking to King Hussein of Jordan. Both moves were anathema to Syria.

At the same time, dissatisfaction was growing within the PLO and Fatah. Many regretted the evacuation of Beirut, the isolation and corruption of some of the leadership around Mr Arafat and what they saw as dissembling to the U.S. and Saudi Arabia.

Initially, the rebellion in Fatah which started last May, was independent but it soon came under the control of Syria. Dissidents like Colonel Abu Mousa, who wanted an understanding with Mr Arafat, found their old leader would not talk to them. It was not them but men like Captain Ahmed Jabril who led the attack on Beddawi, where most of the fighting was done by a brigade of the Palestine Liberation Army which has tanks and is under Syrian control.

Mr Arafat had returned to Tripoli in August to try to move back into the cockpit of Arab politics. He had little success and played no role in the war in the Chouf mountains in September. His remaining loyalists were forced out of the Bekaa Valley.

In Tripoli, Palestinians waited to see if the attack would come before the winter snows, which make military action difficult. It finally came in November because the Syrians and the rebels had failed to get Mr Arafat to accept a role as a figurehead.

The continuation of Mr Arafat's nominal leadership would probably have been acceptable to Syria and many of the rebels because they had no credible alternative. The rebels had every reason to want to take over the organisation, not to destroy it as they now appear to have done.

They needed to destroy Mr Arafat's military base and have succeeded in doing so, but because the leaders of the rebellion have proved unable or unwilling to kill Mr Arafat, they are finding it virtually impossible to establish their legitimacy.

The PLO owes a large part of its support to the fact that it is recognised by other Arab states as the sole representative of the Palestinian people. It is unlikely that Captain Jabril, the captor of Beddawi refugee camp and commander of the attack on Tripoli, will ever be able to gain much support outside Syria and Libya.

Face of a PLO rebel: pictured on the outskirts of the Baddawi camp near Tripoli

Hong Kong's export-led recovery strengthens

By Robert Cottrell in Hong Kong

HONG KONG'S export-led recovery strengthened in the third quarter of 1983, according to new Government figures.

Domestic exports for the third quarter showed year-on-year real growth of 19 per cent, accelerating from 14 per cent growth in second-quarter 1983 and 3 per cent growth in the first quarter.

Domestic demand, however, remained relatively weak, and imports of capital goods continued to fall. Imports showed a year-on-year real growth rate of 12 per cent in the third quarter, while re-exports from Hong Kong showed real year-on-year growth of 21 per cent.

Reflecting the economic upturn, unemployment fell to 3.8 per cent from 4.4 per cent in the second quarter of the year, and 5.1 per cent in the first quarter.

Inflation was running at 9.1 per cent year-on-year in the third quarter compared with a rate of 9.4 per cent in the first half of 1983.

Inflation is likely to rise in early 1984, however, reflecting the filtering through of the effects of this summer's sharp weakening in the Hong Kong dollar.

Expectations of continuing strong exports in the fourth quarter of 1983 are borne out by figures also released yesterday for Hong Kong's October trade performance.

In value terms, domestic exports hit a record HK$10.5bn, a year-on-year growth of 48 per cent before adjusting for inflation.

Re-exports of HK$5.7bn showed year-on-year growth of 58 per cent, again before inflation adjustment, while imports were 44 per cent higher at HK$17.6bn for the month.

Talks soon on Uganda programme

By Michael Holman in Nairobi

UGANDA'S revised economic recovery programme, under which $199m is sought from donors to meet 1985 targets and a further $12m to fund ongoing projects, will be discussed in Paris in January at a World Bank-chaired consultative group meeting, government officials in Kampala said yesterday.

The original plan, launched by President Milton Obote in 1982, laid the basis for the recovery of an economy devastated during the years under Idi Amin.

Accompanied by major structural reforms, including massive price rises for key cash crops, gradual state disinvolvement from many parastatals, and successive devaluations of the Uganda shilling, the plan envisaged donor funded outlay of some $566m to 1984, with a further $180m to cover projects already begun.

In a review of progress, which will be discussed by donors attending the Paris meeting, the Government is seeking to fund a shortfall of $200m over an extended plan period 1983-84 to 1984-85, and $729m to finance projects which are scheduled to begin.

Despite continuing security problems, Uganda has seen a slow but steady improvement in economic conditions. President Obote, who also holds the finance portfolio, said earlier this year that the 6.1 per cent growth in 1981-82 has risen to 7.7 per cent the following year.

In his June budget he announced further increases in the producer prices of coffee (which accounts for over 90 per cent of export earnings), cotton, tea and tobacco.

Last month, Uganda reached agreement with the International Monetary Fund on its third standby facility since 1981.

Korean leader's pledge on invasion

PRESIDENT KIM IL SUNG of North Korea has assured China he will never invade South Korea, according to Hu Yaobang, secretary-general of the Chinese Communist Party, who is visiting Tokyo, Agencies report.

Japan and China have pledged to pursue a path of peace into the 31st century, guided by a special committee of members young enough to live that long. The pledge was made during a meeting between Japan's Prime Minister Yashuhiro Nakasone and Mr Hu.

Meanwhile Mr Nakasone has told visiting Philippine Prime Minister and Finance Minister Cesar Virata that Japan would extend "appropriate" economic co-operation to Manila, according to the Tokyo Foreign Ministry.

Taiwan in the throes of elections

BY ROBERT KING IN TAIPEI

TAIWAN is in the throes of elections again, and while the outcome cannot alter the power-structure in this one-party country, the signs are that the ruling Kuomintang, or Nationalist Party, is willing to tolerate more criticism than usual.

Nearly 200 candidates are vying for 71 "supplementary" seats available to candidates from Taiwan because the government considers itself "national"—that is, representing all of China.

Most of the 371 members of the legislature were elected from all the provinces 35 years ago and hold their seats virtually for life, since new elections cannot be held in China. These life-members control the legislature, voting usually in a block in support of government policy.

The supplementary seats, however, mark the increasing insistence by the Taiwanese that their future should not be determined exclusively by events that occurred in mainland China decades ago. They also emphasise the government's recognition that "localisation" and more active participation in political affairs by Taiwanese is, in the long run, in the country's best interest.

But all the stops have clearly not been pulled, and a call for "self-determination" by the Dangwai (independents) was ordered to be struck from campaign literature and posters by the authorities, who felt that the term might be taken to mean "independence"—the one event many fear could provoke a military onslaught by China.

Despite the limitations, however, the campaigning and the elections—the second national poll since the U.S. severed diplomatic relations five years ago—mark an unmistakeable trend towards democracy and probably an increasing role for non-Kuomintang politicians.

Prohibited by law from forming a party, the Dangwai has nevertheless managed to nominate its candidates by committee and to attract considerable attention among the voters—if not by subtle arguments then by showmanship, appeals to emotion, and by scathing verbal attacks on the ruling party.

Nevertheless, the Kuomintang is proving more capable of accepting the criticism and understanding the more sophisticated public mood underlying it. That bodes well for the future of Taiwan.

BASE LENDING RATES

A.B.N. Bank	9 %	Heritable & Gen. Trust	9 %
Allied Irish Bank	9 %	■ Hill Samuel	§ 9 %
Amro Bank	9 %	C. Hoare & Co.	† 9 %
Henry Ansbacher	9 %	Hongkong & Shanghai	9 %
Arbuthnot Latham	9 %	Kingsnorth Trust Ltd.	10 %
Armco Trust Ltd.	9 %	Knowsley & Co. Ltd.	9½%
Associates Cap. Corp.	9½%	Lloyds Bank	9 %
Banco de Bilbao	9 %	Mallinhall Limited	9 %
Bank Hapoalim BM	9 %	Edward Manson & Co.	10 %
BCCI	9 %	Meghraj and Sons Ltd.	9 %
Bank of Ireland	9 %	Midland Bank	9 %
Bank Leumi (UK) plc	9 %	■ Morgan Grenfell	9 %
Bank of Cyprus	9 %	National Bk. of Kuwait	9 %
Bank of Scotland	Ω9 %	National Girobank	9 %
Banque Belge Ltd.	9 %	National Westminster	9 %
Banque du Rhone	10 %	Norwich Gen. Tst.	9 %
Barclays Bank	9 %	R. Raphael & Sons	9 %
Beneficial Trust Ltd.	10 %	P. S. Refson & Co.	9 %
Bremar Holdings Ltd.	9 %	Roxburghe Guarantee	9½%
Brit. Bank of Mid. East	9 %	Royal Trust Co. Canada	9 %
■ Brown Shipley	9 %	Standard Chartered	‖ 9 %
CL Bank Nederland	9 %	Trade Dev. Bank	9 %
Canada Perm't Trust	10 %	TCB	9 %
Castle Court Trust Ltd.	9½%	Trustee Savings Bank	9 %
Cayzer Ltd.	9 %	United Bank of Kuwait	9 %
Cedar Holdings	9 %	United Mizrahi Bank	9 %
■ Charterhouse Japhet	9 %	Volkskas Intnl. Ltd.	9 %
Choulartons	10½%	Westpac Banking Corp.	9 %
Citibank Savings	¶10½%	Whiteaway Laidlaw	9½%
Clydesdale Bank	9 %	Williams & Glyn's	9 %
C. E. Coates	9½%	Wintrust Secs. Ltd.	9 %
Comm. Bk. of N. East	9 %	Yorkshire Bank	9 %
Consolidated Credits	9 %		
Co-operative Bank	* 9 %		
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	10 %		
Grindlays Bank	‡ 9 %		
■ Guinness Mahon	9 %		
■ Hambros Bank	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6.5%. 1-month 6.75%. Short-term £8,000/12 months 8.1%.
† 7-day deposits on sums of: under £10,000 5½%, £10,000 up to £50,000 6½%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
¶ Demand deposits 5½%.
§ Mortgage base rate.
Ω Money Market Cheque Account—8.75%. Effective annual rate—9.11%.

UK NEWS

Bill for imports jumps by 10% in month

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

IMPORTS SURGED in October, swinging the current account of balance of payments into a deficit of nearly £270m according to the latest official estimate out yesterday.

The figures underlined official concern about the steady increase in imports this year. But the October surge was also taken in Whitehall as an encouraging sign for the strength of economic recovery. This is because there were particularly sharp increases in imports of basic materials and capital goods as well as in manufactured items.

The view is that industry may have been rebuilding stocks after an unexpectedly sharp run-down in the three months to September.

Yesterday's figures, from the Department of Trade, showed that imports of goods in October rose 10 per cent compared with the September figure to £5.59bn. Exports were down at £5.17bn.

The deficit on visible trade was £429m, offset by an estimated surplus of £160m on invisible trade, such as banking and insurance. That left a current account deficit of £269m.

In the first 10 months of this year the current account balance has fluctuated substantially. The cumulative surplus so far is £400m, s figure which is comparable with the deficit, and surplus, recorded in some individual months.

The fluctuations reflect quite large monthly changes in the figures for exports and for imports, some of which are hard to explain and appear erratic.

In October the volume of imports other than oil rose 11 per cent above the average level for the first nine months of the year, 7 per cent higher than the average for 1982.

Imports rose in all sectors except those for cars and fuels. In the three months to October the volume of imports of manufactured goods was 15 per cent above the average volume for 1982.

Exports, meanwhile, have been improving in recent months from a depressed performance in the spring and early summer. The volume of non-oil exports in the three months to October was 4 per cent higher than in the previous three months.

BALANCE OF PAYMENTS, CURRENT ACCOUNT
£m seasonally adjusted

	Current Balance	Visible Balance Oil	Visible Balance Non-oil	Invisible Balance
1981	+6547	+3112	−104	+3539
1982	+5428	+4605	−2486	+3309
1983 Q1	+810	+1764	−1927	+973
Q2	−328	+1490	−2159	+341
Q3	+185	+1538	−1833	+480
May	−406	+420	−939	+113
Jun	+263	+585	−436	+114
Jul	−158	+440	−758	+160
Aug	+38	+569	−691	+160
Sep	+305	+529	−384	+160
Oct	−269	+538	−967	+160

Pickets arrested in Shell dispute

BY BRIAN GROOM, LABOUR STAFF

HOPE OF a solution to the five-week pay dispute in Shell's oil refineries emerged last night, after a day in which feelings were embittered by the arrest of four men picketing the company's oil tanker depot at London Heathrow airport.

Talks will take place today at the biggest refinery, Stanlow in Cheshire, on a 19-month offer made on Wednesday.

Shell seemed hopeful last night of a return-to-work on Monday, but shop stewards were less so. Although the three-stage offer is worth 6.2 per cent over 19 months, on an annual basis it still appears to work out at 4.5 per cent.

Stanlow workers have been on strike for five weeks over a 4.5 per cent, one-year offer. They were joined three weeks ago by workers at Shellhaven, Essex, where further negotiations will also take place today.

Pickets have halted distribution from many Shell terminals around the country. But when picketing was extended to Heathrow yesterday police arrested four men under the airport by-laws which prevent picketing within the perimeter gates. Police were considering charges last night, and the arrests could escalate the dispute.

The union claimed that 20 flights were delayed by yesterday morning's picketing. The British Airports Authority said it knew of no delays, but British Airwsys said two flights to Tel Aviv and Jeddah were held up.

Shell ran into further problems yesterday when shop stewards representing its 1,750 tanker drivers and depot workers – who negotiate separately – declared a pay ballot void because of claims from some members that the company's offer was illegal.

The offer raises basic rates by 4.5 per cent and consolidates £2.50 a week of long-service and bnliday bonus payments into basic pay. Some stewards have taken legal advice thet the employment contracts of long-serving drivers would be breached if their service payments were withdrawn.

Shell disputes this, and offered a meeting of the two sides' lawyers. The transport union refused, and demanded a full negotiating meeting – which Shell turned down.

The company accused the union of prevarication. Union negotiators will now consider their next move in two or three days' time.

COURT TO HEAR EVIDENCE OF PICKET LINE VIOLENCE

Print peace efforts break down

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE PROSPECTS of a confrontation between the Government and the unions worsened yesterday as efforts by the Advisory, Conciliation and Arbitration Service (Acas) to bring together the two sides in the Stockport Messenger dispute failed.

Mr Eddie Shah, chairman of the Messenger series of weekly free newspapers, will today seek in the High Court the sequestration of assets of the National Graphical Association (NGA), the print union at the centre of the first major challenge to the Conservative Government's employment laws.

The court application will be as a result of the union's failure to pay a £50,000 fine levied for refusing to end mass picketing at the Messenger's printing plant at Warrington, in north-west England. The dispute involves the refusal of the company to reinstate six NGA workers.

Mr Shah said last night he would include evidence of violence on the picket lines in his affidavit to the High Court in Manchester. He said that burning wood bad been thrown at an armoured van leaving the plant yesterday. The van hit Mr Billy Trainor, a picket, and broke his leg. About 200 pickets were outside the plant.

Mr Tom King, the Secretary of State for Employment, has condemned what he called "disgraceful behaviour" on the picket line. He told the House of Commons that such conduct had no place in industrial relations.

Until early next week, when the presses of the weekly newspapers roll again, there will only be a token picket outside the plant. The NGA said yesterday that, unless there was a breakthrough in the dispute, mass picketing would be resumed on Tuesday. Mr George Jerrom, NGA national officer, said pledges for pickets already far outnumbered those for this week.

The Manchester Evening News was stopped for a second day, after the NGA compositors refused to give a written assurance of non-interference with editorial matter. On Wednesday, they had refused to handle a story dealing with court appearances by 22 men after incidents on the picket line.

Union representatives from national newspapers in London and Manchester were meeting in London last night to discuss broadening the action.

Mr Joe Wade, general secretary of the NGA last night warned that national newspapers could be hit by a "spontaneous explosion" of strike action tonight if the High Court sequestrates the union's assets.

He said that his members were extremely angry about police brutality on the picket lioes and the use of a "paramilitary army" by Mr Shah.

The general print union Sogat '82 could today join the NGA in a showdown over the employment legislation. The 1980 and 1982 Employment Acts restrict lawful industrial action, make most secondary actions – such as picketing elswhere from the workers' own workplace – unlawful, and lay unions funds more open to legal action.

The Sogat executive today will be discussing the refusal of the London Central branch of the union to distribute a number of magazines printed by the British Printing and Communication Corporation (BPCC).

The Federation of London Wholesalers obtained an injunction against the backing on Wednesday. Yesterday none of the magazines had been moved but the injunction does allow 48 hours for an amendment to be sought.

The blacking action – which initially hit the colour supplements of a number of Sunday papers last weekend – is being taken to support the London machine branch of Sogat which is in dispute with BPCC over the closure of its Park Royal plant in West London.

Even if the Sogat executive today orders the London Central branch to work normally, there is oo guarantee that it will.

Mr John Brockett, secretary of the Federation of London Wholesalers, said last night: "We are in an impossible position in the middle of a disupte that is nothing to do with us. We must just hope that anarchy does not prevail." BPCC magazines account for between 40 and 50 per cent of the federation's turnover.

The NGA and Sogat issues are shaping up to a rerun of the union battles in the courts in the 1970s against the Conservatives' Industrial Relations Act 1971. Now the main statute is the Employment Act 1980, and the mechanism the ordinary civil courts, rather than the special National Industrial Relations Court, but the response of the courts to defiance may be remarkably similar.

Trade union law, Page 18

Threat of all-out pay strike at Ford

BY OUR LABOUR STAFF

UNION LEADERS of both manual and white-collar workers at Ford of Britain yesterday threatened an all-out strike over 7.5 per cent pay offers which would shut the company down completely after the Christmas and new year holidays.

Ford made no official response to the unioo threats, but managers are privately sceptical that either shop-floor workers or office staff want to strike over so high an offer.

The 56 union negotiators representing 44,500 hourly-paid workers decided in London yesterday to urge members to reject the pay offer and vote at mass meetings to strike from January 3.

At the same time negotiators from the three unions representing 10,000 white-collar staff announced that they too were recommending a strike. They have also been made a 7.5 per cent pay offer, but talks have broken down over Ford's refusal to improve pensions.

On the manual workers' side, it is a similar refusal by the company to respond to claims on issues such as extra holidays and better pensions which has proved the greatest barrier to a settlement.

Mass meetings in Ford's 24 plants will begin today with a vote by hourly-paid workers at the Bridgend, South Wales, engine plant in and will continue into next week.

Many workers would be reluctant to strike immediately after Christmas and new year had emptied their pockets, but the fact that the stoppage is some way off may encorage them to vote for it.

They would do so in the knowledge that this leaves plenty of time to seek further talks with the company to persuade it to improve its "final" offer.

If they voted for a strike and negotiations were not reopened, the plants would fail to reopen after the holiday shutdown from December 23 to January 3.

Mr Ron Todd, national organiser of the Transport and General Workers' Union and chairman of the Ford unions, said: "If our members want to see advances on shorter working time, pensions and consolidation of supplements they have to fight for it."

Other manual workers' meetings scheduled so far include Swansea and the Halewood transmission plant tomorrow, the Halewood body and assembly plants on Sunday, and the Langley lorry plant next Wednesday.

Staff meetings will begin oo Monday, and the results will be reported back at a union negotiators' meeting at Transport House in London on December 5.

An all-out strike by white-collar staff would be unprecedented. Managers believe it highly unlikely, although strikes by specific groups in departments such as computer operations could be damaging.

The pay offer to both manual workers and staff raises basic wages and salaries by 7.65 per cent, but a smaller increase in attendance supplements reduces its value to 7.5 per cent.

Syndicate members to meet £13m losses

BY JOHN MOORE, CITY CORRESPONDENT

LLOYD'S UNDERWRITING agents who have introduced more than 200 members nf Lloyd's to an insurance syndicate which now faces £13m of losses, have been told that the members of the syndicate should start making arrangements to pay at least £20,000 each to meet the losses.

Members of the syndicate – including sports personalities Mark Cox and Virginia Wade were warned in mid-October that the syndicate faced large losses.

The syndicate managers, Spicer and White (Underwriting Agencies), whose ultimate majority owner is Willis Faber, the large broking group, told the members in October that "exceptionally poor" quality business had been accepted by an underwriter, who no longer accepts business on behalf of the syndicate. That underwriter had also accepted more business than he was allowed to under Lloyd's limits.

Those members who were on the syndicate over three underwriting accounts for the years 1980-82 will have to pay £20,000 for each £20,000 of business accepted on their behalf.

Because of the losses those members of the syndicate who belong to the newly-formed Association of Lloyd's Members, established to protect the interests of Lloyd's members, will meet next month to discuss the situation and decide whether further action is necessary.

● The Department of Trade and Industry, the ultimate regulatory authority of the British insurance community, is studying e 231-page report prepared by an internal committee of inquiry in the Lloyd's insurance market.

The committee investigated the relationship of eight Lloyd's insurance syndicates under the management of Mr T. Raymond Brooks and Mr Terence Dooley with the Fidentia Marine Insurance Company of Bermuda.

Big rises likely in taxes on properties

By Robin Pauley

MANY AREAS in Britain face rises in rates (locally levied taxes on business and domestic properties) of 25 per cent or more from next April. This is if the local authorities which collect the rates maintain their budgets for 1984–85 at the present level in real terms.

Only by making substantial cuts in spending, or by using money held in balances and increasing charges, is there any propect of significantly lower increases.

Even then, a much more severe government penalty scheme for overspending, coupled with a cut in the overall proportion of council spending to be funded by Government grant, makes rate rises below the level of inflation very unlikely in most urban areas next year.

An analysis of spending and grant shows that all the metropolitan countries outside London would need rises of between 19 and 29 per cent if this year's spending levels were maintained. In the metropolitan districts, the range would be between 12 and 35 per cent.

London is an exception. A number of local authorities, including the City of London, the Greater London Council Inner London Education Authority, Camden and Westminster, receive no grant either because they are too rich in rateable resources or because they spend so far over the Government's targets.

They are therefore spared penalties and the vagaries of the grant allocation system which causes wide annual fluctuations in rate bills.

Without cuts and using balances, only two English councils – Crawley, Sussex, and South Ribble, Lancashire, – would be able to cut their rates.

After-tax pay soars for highest salary earners

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

REAL TAKE-HOME pay has risen substantially faster in the last five years for those on higher incomes, compared with those on average or below-average earnings, according to Treasury calculations.

For a married man with two children at present earning £44,500 a year – five times the national average – real after tax earnings are 54 per cent higher than five years ago.

This increase is almost 10 times that received by a married man with two children with average earnings (about £8,900 a year). His real after-tax rise during the period was 5.7 per cent.

However, the big increase in after tax income for the most highly paid was mainly the result of the 1979 Budget, when higher-rate income taxes were abolished.

Since then the rises, after taking account of inflation and tax changes, have been much more modest, although the real disposable income of the well-off has tended to increase faster than that of poorer people.

The figures, given in a parliamentary written answer from Mr John Moore, the Financial Secretary, show that the real after-tax rise for a man earning £44,500 between 1979-80 and 1983-84 was 2 per cent, compared with a rise of 1½ per cent for a man with two children on average earnings.

The equivalent man on 10-times average earnings gained 3.4 per cent in real terms during the period.

The figures also show that the proportion of income taken in taxation has risen significantly for those with average or below average earnings.

For a married man with two children on average earnings, income tax and national insurance contributions, less child benefit, now account for 22.5 per cent of gross earnings. This compares with 21.2 per cent in 1978-79.

NCB to develop Belvoir mine

BY RICHARD JOHNS

THE NATIONAL Coal Board (NCB) yesterday gave a firm go-ahead for the development of the Asfordby mine in the Vale of Belvoir, Leicestershire, nearly a year after final environmental approval was given. The project is estimated to cost £400m at present prices.

The announcement of the project by Mr Ian MacGregor, NCB chairman, was clearly aimed at weakening the opposition by the National Union of Mineworkers to the programme of accelerated pit closures and to the board's final 5.2 per cent pay offer. The union leadership bas rejected the offer.

The project still awaits what should prove to be the formality of the Goveroment's final approval.

Asfordby, one of three potential economic mines in the Vale of Belvoir, should produce 2.2m tonnes of coal annually and would provide 1,200 jobs when it is in full production in about eight years' time.

It is the biggest investment undertaken by the NCB since the decision was taken to develop the Selby mine in Yorkshire in 1976, which started to produce coal earlier this year.

The NCB bas also decided to build a £10m smokeless fuel plant at Aberaman in South Wales to produce boiler and room-heater briquettes according to the West German Ancit process.

Mr MacGregor made the announcement about the two developments after a visit to the Bagworth Colliery in the South Midlands. In line with his tactics of speaking directly to the miners, he said: "These and other projects already approved or in the pipeline are continuing proof of the board's intention to carry on investment in worthwhile projects in the coal industry."

"It is nonsense to say we are running down the industry," Mr MacGregor continued. "We are building a new industry from the old, and kitting up with the high technology equipment needed."

The Ancit plant, based on a system evolved a dozen years ago by MBV, will be built alongside the ageing Furnacite facility of National Smokeless Fuels at Aberaman in South Wales. It will produce 90,000 tonnes a year for the "closed appliance" market.

It is planned that Furnacite output there will be gradually phased out and replaced by Ancit, which is much cleaner and will help to reduce atmospheric pollution in the area.

Economist to start printing in Singapore

By Alan Pike, Industrial Correspondent

THE ECONOMIST magazine will tomorrow add a second stage to a programme of worldwide expansion with the opening of a printing and distribution operation in Singapore.

Since 1981, the Economist has printed in the U.S. as well as the UK. Under the new development, 28,000 copies for the Asia-Pacific market – including Hong Kong, Japan, India and Australasia – will be produced each week on the presses of Times Printers in Jurong.

Pages for the U.S.-printed copies of the Economist are transmitted from London by satellite. While this development is expected to be introduced eventually on the Asian operation, the Singapore printer will initially be supplied with film flown from London by Singapore Airlines.

About 96 editorial and advertising pages a week will be despatched to Singapore. Special clearance arrangements should allow the film to reach Times Printers within two hours of arrival in Singapore.

The Economist expects copies to be available in the Asia-Pacific region up to 48 hours earlier than has been possible by supplying by air from the UK.

The UK, U.S. and Asian-produced copies have the same editorial content, although the order of sections alters.

Directors of the Economist regard their U.S. printing operations as evidence that regional production centres on a global scale can offer major chances for expansion.

Scott Lithgow yard in move to avert cancellation of rig

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

SCOTT LITHGOW, British Shipbuilders' yard on Clydeside in Scotland, which faces default and closure over delays in building a £86m drilling rig for Britoil, told its clients yesterday it was still possible to complete by January 1985.

The client consortium of Britoil and Ben Odeco, an American drillship operating company, indicated it was unlikely to accept the Scott Lithgow claim, a decision which could lead to cancellation of the contract.

A more realistic completion date for the big offshore rig, which is under assembly at the Port Glasgow yard, is March 1986. Scott Lithgow hopes that date can be accepted after a series of claims against the clients over design difficulties.

The fate of the yard, with its 5,000 workforce, has developed into a war of nerves between the recently privatised Britoil and the state-owned British Shipbuilders. Britoil wants Mr Graham Day, chairman of British Shipbuilders, to renegotiate the deal, a move which would be likely to lead to substantial savings on the cost of the rig. It is an option which Mr Day has so far rejected.

Mr Day has apparently played for time, hoping for a productivity agreement which would allow flexible working among British Shipbuilders nationwide, including Scott Lithgow. This, along with recent managerial improvements at Scott Lithgow, would improve its credibility as an offshore yard.

Scott Lithgow last year lost £86m out of British Shipbuilders' total losses of £117.4m.

The latest and most severe crisis facing the yard arose when Lloyds Leasing – the Lloyds bank subsidiary which is financing the deal – served notice at the start of this month, under contract terms, to demand that the yard show within 30 days that it could complete the rig within a 300-day period.

Scott Lithgow yesterday complied, supplying extensive documentation to Ben Odeco's offices in Edinburgh. Mr Peter Milne, Scott Lithgow's managing director, would give no further details of his reply to Britoil.

The gist of the Scott Lithgow position is understood to be that, given extensive additions in terms of equipment and manpower, then the job could be completed by January 1985.

Its series of claims against the client consortium would, if accepted, roll back the deadline or "drop dead" date, as it is known, and also push back the start of penalty payments against the yard.

Already, 28 days have been added to the delivery date, which was originally set for April of next year. A 300-day period is automatically added to this delivery date before the final "drop dead" date, which is February 1985. With penalty payments of £17,000 a day, Scott Lithgow would stand to lose over £5m.

The Scottish yard is also behind schedule with a semi-submersible rig for BP, due for delivery last February and now facing a final deadline of December 25.

British Shipbuilders' managers have expressed fears that BP will want to negotiate at the last minute to effect substantial savings, similar to those achieved over the late delivery of a tanker from Scott Lithgow in the past year.

BCal to freeze domestic fares

By Michael Donne, Aerospace Correspondent

BRITISH CALEDONIAN Airways (BCal), yesterday made a swift response to British Airways' freeze on domestic fares by announcing a standstill on increases in its own fares between Gatwick (near London) and Glasgow, Edinburgh, Manchester and Jersey.

BCal rates will stay at present levels for "an indefinite period," which is likely to mean the whole of 1984.

The airline had planned to seek fare increases of up to 5 per cent. This would have raised the single rate between Gatwick and Scotland from £59 to £61.50. The BA single rate from Heathrow to Scotland is staying at £58.

BCal had thought that BA also intended to seek fare rises, and was taken by surprise when it announced the fares freeze.

As a result, BCal yesterday morning notified the Civil Aviation Authority (CAA) of its change of mind. A BCal spokesman said the airline's domestic traffic was showing healthy growth. Next year it expects to carry more than 530,000 passengers

Under the CAA's new policy of having only one major internal fares change each year, the airlines have been asked to state their intentions now, for the fares year starting next April 1.

By announcing a freeze, both BA and BCal will effectively be obliged to maintain their rates at current levels through to the end of 1984 at least when they will be asked by the CAA to file their plans for the fares year starting on April 1, 1985.

Only if an emergency occurs, such as severe economic difficulties for the airlines, will they be able to ask for fares rises before that time.

ASSURANCES SOUGHT OVER SALE OF FOREST LANDS

Cuts into assets of the future

BY ANDREW FISHER

STRONG EMOTIONS are being stirred over the future of Britain's forests. Many critics of the Government's policy feel that too much land is being sold off to the private sector too quickly.

The state-owned Forestry Commission, set up just after the first world war, is doing only what it has been told by the Government – to raise £82m from asset sales by early 1986.

But trade union representatives who yesterday met MPs from forestry areas fear that severe social and economic consequences could result.

The unions would like to see:

- A Government guarantee of no more sales once the £82m has been raised.
- An extended period of sale in which to achieve the financial target.
- Information on who is buying forestry and the prices paid.

The Government has declined to give any assurances at all on future sales, despite regular questioning from MPs and has progressively increased the sums which it wants the Forestry Commission to raise.

When the Forestry Act came into force in 1981, the Government set a figure of about £40m to be raised over three years. This became £65m over four years, and then more than £80m.

The commission, based in Edinburgh, is gamely proceeding with the sales, but it says it would not like to have to go beyond the present programme. It is concerned that its own programme of planting and harvesting could be jeopardised.

What difference does it make who owns the forests? A great deal, say the unions. Not so much, feels the government, which wants to reduce the commission's call on its funds.

In the 1981–82 financial year, the commission received £57m of government money, £46m related to its business and the rest to administration and research and development.

The sales will represent about 8 per cent of the commission's assets of £1.1bn. These include more than 1.2m hectares, of which some 900,000 hectares is productive forest (roughly half the total in Britain).

Concern for jobs and the rural way of life is central to union opposition to the sales. But there are other major objections such as the problem of future public access to woodlands, the possibility that new owners will fell trees too early and the existence of large tax benefits for private investors in forests.

The commission points out that the sales are taking place under government guidelines covering questions of access, conservation, jobs (it employs just over 7,000), and long-term supplies to user industries such as paper and sawmills.

Metal trader loses appeal

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

METAL TRADERS (UK), a subsidiary of Metal Traders of New York, had no right to intervene in a legal action brought by Sanders Lead Co, of Alabama, against Entores Metal Brokers, the Court of Appeal in London ruled yesterday.

Metal's only connection with the action was the fact that it claimed to be a creditor of Sanders Lead International, a subsidiary of Sanders Lead Co. It had obtained a Mareva injunction freezing SLI's English assets, part of which, Metal contended, were the subject matter of the action by SLC against Entores, said Lord Justice Kerr.

But that "mere commercial interest" in the outcome of the action was not a reason for allowing Metal to intervene in it, the judge held, allowing SLC's appeal against a Commercial Court order joining Metal as a defendant in SLC's action.

He said that the appeal was of general importance to the question whether an alleged creditor who had obtained a Mareva injunction should be allowed to intervene in an action with the subject matter of which it was in no way concerned.

He said that Metal claimed $1.48m damages from SLI for alleged breach of contracts for the sale of lead. SLI denied liability and also denied that the contracts were subject to London Metal Exchange arbitration.

Metal therefore looked for SLI assets in London and discovered that Entores was about to pay SLI $223,197 under another lead sale contract.

Metal obtained a Mareva injunction freezing all SLI's English assets. The injunction included the $233,197, which Entores agreed to pay into a special account.

SLC thereupon sued Entores for that sum, on the ground that it and not SLI had sold the lead to Entores.

The judge decided that the Commercial Court had no jurisdiction to join Metal in the action. There was no issue between Metal and either SLC or Entores that arose from, related to or was connected with the action, he said.

It was true that Metal would suffer immediate and direct financial loss if SLC won the action, but only because Metal was an alleged creditor of SLI, whose assets, if SLC won, would not include the $223,197.

But, the judge said, Metal had no legal interest in the sum, which was simply money earmarked by Entores for paying what it believed to be its debt to SLI.

Even if Metal did have such an interest, the position would be the same, because the subject matter of SLC's action was an alleged debt owed to it by Entores.

Britons turn first towards Europe

BY ANDREW TAYLOR

THE BRITISH place more store by their political and economic relationships with continental Europe than they do with the U.S. or Commonwealth countries – but they find Australians much more trustworthy than the French.

These conclusions are drawn from an opinion poll conducted by Gallup this month and published in New Society magazine.

The poll indicates that 60 per cent of Britons believe people in Hong Kong should be allowed to decide their own future. According to Mr Richard Bourne, deputy director of the Commonwealth Institute, this popular opinion could embarrass the Government "when the time comes to sell to the British public any agreement with China on the future of the colony."

The survey shows that the relative importance attached by many Britons to the country's special relationship with the Commonwealth, and also with the U.S. has dwindled since a Gallup survey conducted in March 1969 – four years before Britain joined the European Community.

Only 26 per cent of those questioned placed Britain's relationship with the U.S. ahead of the country's ties with the EEC in the latest poll, which was conducted just after the U.S. invasion of Grenada.

Forty per cent said that Britain's links with Europe were more important than the relationship with the U.S. or with Commonwealth countries.

The survey in 1969 showed 34 per cent of the population supporting Britain's ties with the Commonwealth (a similar proportion supporting the U.S.) in preference to its links with Europe, which drew support from only 21 per cent.

Many Britons retain a warm affection for the Commonwealth even if it is no longer regarded as being of prime strategic importance. Some of Britain's European competitors do not appear to be so warmly regarded in a survey of how trustworthy different nations appear.

According to the latest Gallup poll, 73 per cent of those questioned regarded Australians as very or fairly trustworthy. An earlier poll conducted by Gallup in October 1980 showed that only 32 per cent of respondents regarded the French in the same category of being trustworthy.

Mr Bourne said: "Not only does Australia come top altogether, but Indians and Jamaicans – well known to the British public from their descendants living here – comfortably outdistance Japanese, French and southern Europeans."

BUSINESS LAW

Undigested language of the statute book

Lord Hailsham, the Lord Chancellor, was remarkably critical of the language of statute law during a lecture this year on the British legal system. A. H. HERMANN, Legal Correspondent, reports.

"THERE IS a problem which all lawyers, and I believe, all businessmen or people affected by legislation are faced with and that is the flow of pages and their unintelligibility . . . The impression one has is that a great deal of the detailed material in Acts of Parliament is not properly considered, and comes through in an undigested form. I think you make this point yourself, Lord Hailsham, in your lectures: Unconsidered legislation."

Then Sir Patrick Neill QC, Warden of All Souls, Oxford, who chaired a discussion broadcast on Radio 3 last week, turned to Lord Hailsham, who said: "Yes, I think I do."

The panel, also comprising Lord McCluskey, who was a Labour Sblicitor-General for Scotland and Sir Idwal Pugh, the Ombudsman from 1976 to 1979, was discussing the Hamlyn lectures delivered by the Lord Chancellor last May.*

Miss Emma Warburton Hsmlyn was an antocratic snd "very intellectual" Edwardian lady, wearing long dark dresses and large dark bsts with semi-herbaceous borders. Widely travelled, she came to the conclusion that the English legal system was best. When she died in 1941, she left the residue of her estate "for the furtherance, by lectures or otberwise among the common people of the UK, of the comparative jurisprudence with the intent that they should realise the privileges which in law snd customs they enjoy in comparison with otber Enropean peoples." But Lord Hailsham, the 35th Hamlyn lecturer, did not limit himself to a panegyric.

As might bc expected, Lord Hailsbsm presented contemporary problems of English law in the widest historical and social perspective. Miss Hamlyn would hsve been pleased, for sbe was interested not only in jurisprudence but also in "ethnology." It is interesting to compare Lord Hailsham's critical lectures with those given by the first Hamlyn lecturer, Mr Justice Denning, who found it easy in 1949, to deliver the undiluted praise which Miss Hamlyn would have hoped for, wben he cbose as his subject, "Freedom under the Law."

One of the most topical themes which emerged in Lord Hailsham's penoltimale lecture, was the way that law has moved from protecting status to protecting contract. In the Middle Ages, law buttressed the status of the feudal lords of town guilds, of the head of the family against the peasants, wives and children, and against all common people who did not belong. Since then the law has shifted, so that it seemed that contract was supreme—already Rousseau had to invent the "social contract" to justify his concept of civilised society.

In the past 40 years, however, Lord Hailsbam observed that the tide bsd ebbed and law had moved bsck towards protecting status, albeit with different social effects: it gradually regulated more and more the terms of contractual bargains between landlord and tensnt, between employer snd employed, between marriage partners, between the businessman and the consumer, always to protect the weaker party.

Unfortunately, this had resulted in a surfeit of Acts of Parliament. It was "a sort of machismo with ministers to get their legislstion through." The second problem was that "our Acts of Parliament, achieving the same thing as, say, a French, a German or a Swedish Act of Parliament, are about five times to twice as long." And this enormous quantity of words was very difficult to understand. ". . . the total result is that the British ststute book is worse than the comparable statute books of other countries."

What render parliamentary draftsmen unintelligible? The reason, in Lord Hailsham's opinion, is the method of interpretation sdopted by the courts. Those favouring literal interpretation have won the day in the battle with those who think judges should be guided not by grammar but by the intent of Parliament. Lord Hailsham regrets the narrow view which bars the court from looking beyond the text of the ststute to its origin snd purpose. Although he does not think that the study of Hansard would be useful, blue books and the Law Commission's reports might be.

"Too many Bills, too long and unintelligible, and I don't know what you do about it," but Lord Hailsham knows that "it's the House of Commons which needs to consider its own ways."

While waiting for the Commons to mend its ways, Lord Hailsham will turn his attention to the judges. According to the recently published Government Response to the Report of the Royal Commission on Legal Services†, the Lord Chancellor is to order s review of civil procedure and management of civil litigation which could lead to the restructuring of courts. The review should start in about six months' time but is unlikely to be completed within the life-time of the present Parliament. Judging by the indifference which has killed so many law reform proposals, the policy of "no change" seems to be truly bipartisan and the fate of the review, one is afraid, will be the same whether the present government gets a third term or not.

LORD HAILSHAM
No panegyric

The Government's response is certainly in full sympathy with the "no change" recommendstions of the Royal Commission and the two branches of the legal profession seem to be well entrenched. They have survived the law's movement from status to contract and from contract to statutory protection of the weaker party to a bargain. Together with the TUC, the Stock Exchange and the numerous monopolies and oligopolies which thrive in the absence of a competition policy, they are still in a position to resist progress towards greater efficiency.

However, things are not entirely black. A number of improvements in the judicial system have already been adopted, particularly in the Chancery Division and in the Court of Appeal. The move towards shorter oral hearings by the introduction of skeleton written pleadings is likely to be followed by greater judicial control over proceedings, usual both on the continent of Europe and in the U.S. Criticising a case of particularly bad delay, Sir John Donaldson, MR, said recently‡ that the computer and word processor "now made it technically possible for all courts to take an initiative in appropriate circumstances:.. and the general desire to improve the service... may lead to a reconsideration of the present policy of inertia on the part of the courts."

Nor doea the Court of Appeal content itself with exhortations. In a judgment§ last week a solicitor was ordered personally to bear the costs of bis client because he had blindly followed counsel's edvice and continued litigation, funded by legal aid, although it was evident that the client had no chance of success. The judge issued a warning but could not stop the trial. The threat of having to pay costs is likely to be more effective.

* *Hamlyn Revisited—The British Legal System Today 1983. Stevens £4.95.*
† *Cmnd 9077. HMSO £3.75. pp 34.*
‡ *Owyer v Rodencs and Others. TLR November 12 1983*
§ *Davy-Chiesman v Davy-Chiesman, TLR November 21 1983.*

If you woke up too late for the event this morning, don't worry. You can always catch the plane tomorrow. Or on Monday, Tuesday or Friday. From today, Singapore Airlines will be flying this remarkable aircraft from Heathrow four times a week as part of their daily service to Singapore and Australia. Appropriately, the 747-300, with its stretched upper deck, has been dubbed BIG TOP by SIA.

It is an outstanding example of aviation technology.

It has a gross take-off weight of 377,846 kgs. (It's the equivalent of over 45 double decker buses taking off at once.) And it is powered by four Pratt & Whitney engines, each developing 54,750 lbs of thrust.

Yet, despite this increased size and power, this plane is actually quieter than its predecessors.

However, what is most impressive about BIG TOP isn't the exterior, but the interior.

SIA has had it laid out to its own specifications. The upstairs deck is twice the size of a normal 747's and has

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MANAGEMENT

EDITED BY CHRISTOPHER LORENZ

Taking fingers out of too many pies

Nick Garnett explains why Fothergill & Harvey re-shaped its corporate structure

EVERY sizeable company needs to keep one eye on its organisational bone structure to see whether it still suits the corporate body.

Having done this and discovered an ill-fitting mismatch, Fothergill and Harvey, one of the UK's leading suppliers of specialist products for industry has spent the past three years cracking open its division-based mini-empire to produce a dozen semi-autonomous companies.

Fothergill is still digesting the changes and chewing over problems which might emerge in their wake. But it now knows that for any middle-sized company like itself with a number of advanced technology products three questions have to be squared up to in this process of decentralisation.

Does it have the personnel successfully to head these separate businesses without, for the first time, the day to day bandholding interference of the main board? Can the board still maintain its overall grip on strategy? Will it be able to keep in check any inclioation towards operating selfisboess among those separate compaoies which should bave research and productioo links with each other?

Fothergill, with its beadquarters at Littleborough, oear Maocbester, employs 900 at a number of UK sites and ooe in the U.S. Its products are incorporated into a wide range of equipment and premises from helicopters and jet eogines and the nose cone of Concorde to food factory conveyor belts.

The company decided in 1981 that its organisation — basically a single company with three divisions and with most decisions moving in one direction (from the board down) — needed to be torn apart and rebuilt.

The structure bad beeo outgrown by the pace at which the company had expanded both geographically and in the number of its products as it moved further into advanced composites for the aerospace industry, fibre optics and high tecbnology electrical insulating. Some of this bad been done by acquisition with new companies sometimes simply grafted onto the divisions.

It also permitted the board much leeway for dipping its corporate fingers into too many pies, involving itself in too many operating decisions.

Peter Conway, Fothergill's chief executive, says the results were an unnecessarily burdeosome ceotral administration tied to an inefficieot paperwork system, aod a clamp on entrepreoeurial instinct. The recession has been an added spur.

Fothergill is now split into 12 companies (and two associate companles), eacb with e managing director. These are, in effect, self-sufficient units. Almost all their expenditure ls under their own control and fed into their profit and loss calculations. Before restructuring a balf of these costs were subsumed into central costings.

"The responsibility for profits and asset control was handed over to the people actually running the business," says Conwey.

Much of this responsibility falls on the sboulders of a new tier of 12 managing directors in charge of the companies. All but a couple of these posts created during the past three years have been filled by Fothergill people who bave never had that type of responsibility before.

"It certainly sorts out the wheat from the chaff," aays Ian Scolley, Fothergill's operations director; in other words most of these menaging directors bave blossomed under this burden but some will not make it.

"It's allowed them to broaden out," says Scollay. "For the first three months my telepbone never stopped ringing bot now they are saying 'let me get on with it.'"

Barrio Gibbons, 52-year-old former geoeral manager of the Tygadure division is one of Fothergill's new managing directors — at Fothergill Eogineered Polymers in Bridgewater, Somerset.

"With this new structure, the minimum time to appreciate most of the running problems is abont a year," says Gibbons. "In the divisional syndrome there was central control of personnel, funds, strategic decision-making. You just ected upon decisions already made. All problems were thrown to the top. Now the separate companies are coming up with strategic ideas and then asking 'Does the board agree?'"

The process of beefing up jobs bas travelled some way down into these companies. Gibbons' sales and production directors are each going on a month's study course to prepare them better.

Fothergill bas what Conway calls a "defensive mechanism" to protect the board's overall strategy and maintain its vision on the way the separate business units should provide technical asistance for eecb other on product development.

There are three operating directors who sit on the board. They each have a portfolio of Fothergill companies and sit as chairmen of these companies while being non-executive directors of the other businesses. Two of the operating directors play a role in every one of the Fothergill companies.

One of the possible handicaps in such a decentralised corporate structure and tn which the role of the operating directors is partly addressed is on technical developmeot.

Each Fothergill company has a specific focus in the market. The problem is in recognising where Fothergill should exploit an opportunity which does not directly focus on one company but needs the viewpoint and resources of two or more. So far, Conway is reasonably confident that the structure and the operating directors' role cover this problem.

A further difficulty arises thougb if companies become too self-protective. Company A might have to carry out technical development work for company B which will promote the future growth of the second company but provides no positive benefit for company A's balance sbeet. Instead it temporarily drains its manpower.

Gibbons, wbo, like the other managing directors is now responsible for the bottom line, believes that there conld be some battles over this. "Some people can be very selfish ebont their bottom lines," be says.

Fothergill bas a method of subsidising some development work from the centre. It also has people at Littleborough who can be "leant" out to provide technical assistance, aod a way of edjusting profit targets of individual companies to reflect the amount of enebling work they do for other group companies.

By these means and the use of cross-company operating directors lt bopes to keep such conflicts in check.

Peter Conway: has handed over responsibility for profits and asset control to "the people actually running the business."

Worldwide career/spouse compatibility ratio

BY MICHAEL DIXON

AS WOMEN'S liberation continues to push the Male Chauvinist Pig out of the limelight, so the Career Chauvinist Pig is coming to the fore. The CCP is defined as anyone of either sex who counts his or her own career more important than living a caring, sharing married life.

To anyona thinking of espousing a CCP, the only wise advice is: Don't! As life-partners they are bad news to all of us, men and women alike.

The trouble is that beesuse CCPs are a newly observed phenomenon, there is not yet e scientific method of detecting them in advance. But their potential for inflicting mayhem on lnnocent partners is enough to make any hints on identification, bowever sketchy, better than none.

Fortunately estimetes bave just become available of the relative risks of landing oneself with a CCP entailed in marrying executives from various different countries. The estimetes have been obtained by re-analysing the data of a survey published in the October edition of International Management magazine of the life-styles of executives' spousea in Brazil, France, Germany, Hong Kong, Italy, Japan, Mexico, the Netherlands, Singapore, South Africa, Sweden, the United Kingdom, and the United States.

The re-analysis indicates that anyone, anxious to avoid landing bim or berself with a CCP would do best to marry someone from the U.S., with the British coming a respectable second. But citizens of Hong Kong should be avoided.

It is important to note, however, that taking the greater risk of marrying a CCP is not necessarily also to take the greatest risk of living unbepplly ever after. The feeling that the sacrifices required had been worthwhile was in fact by far the strongest among the spouses in Hong Kong.

In eacb of the 13 countries International Management asked the wives or busbands of executives about the effects on them of their partner's career. Of all the spouses answering the questions, 87 per cent were women and 13 per cent men. But within the total the proportions differed with nationality, ranging from 98 per cent women and only 2 per cent men in the UK to 78 per cent women and 22 per cent men in Jepan and Sweden.

CCP attitudes affect the other part of the couple in various ways. Spouses who also go out to work will be affected by the extent to which their own career advance is restricted by the partner's claims, and so on.

Spouses who stay at home will be affected by such things as the extent to which the other person accepts a reasonable share of domestic responsibilities, and how much amenities like social life have to be sacrificed to career demands.

Other things have an effect regardless of whether the spouse goes to work or stays at home. These common factors include the extent to which the stability of the marriage is threatened by the partner's job, and how much either party is permitted or willing to take an interest in the other's concerns.

An example of the common factors—and of the method used to work out the CCP coefficients for the 13 different countries—is provided by the International Management survey's question: Does your partner seek advice from you on business problems?

Taking all the countries together, the answer was "Never!" in 18.4 per cent of cases. That overall figure can be taken as a standard against which to assess the individual countries' responses to the same question.

Clearly in Italy, where no fewer than 28.3 per cent of the spouses answered never, the partners are worse than average by the CCP criterion in that particular regard. The opposite applies to the partners in the U.S. where only 10.7 per cent of the spouses reported that advice was never sought from them.

By taking the responses to all the relevant survey questions and calculating by how much a country's partners score better or worse than the average in each case, I have arrived at what is probably the first ever international index of CCP attitudes. It is given, in terms of percentage points better (+) or worse (−) than the mean, in the following table.

United States	+68.0
United Kingdom	+47.8
Germany	+23.9
Mexico	+13.1
Netherlands	+ 9.8
Singapore	+ 7.8
Sweden	+ 5.5
Brazil	− 1.0
South Africa	− 3.3
Japan	−14.7
France	−34.2
Italy	−34.9
Hong Kong	−81.5

Management abstracts

Buy-out companies win through. Chief Executive (UK), Dec 82.
Surveys management buy-outs in the West Midlands, examines reasons for their success and points to bigher levels of efficiency and employee commitment, with no significant difficulty in maintaining line of credit or customer loyalty.

Trade union tutors and their students. D. Bright + T. MacDermott in Employee Relations (UK), Vol 4 No 3.
Identifies companies that send shop stewards on training courses, considers why employers and unions wish (in some cases do not wish) stewards to attend and qnotes tutors' views.

Profiles in innovation. J. E. Goldman in Directors & Boards (US), Winter 83.
Relates the author's experiences in three named major companies; describes the failure of two to take advantage of technological change, and the success achieved by the third in "reinterpreting" its mission and ceasing to be a one-product concern. Argues that R & D staff should be afforded maximum possible freedom, with their recommendations given full consideration in strategy determination.

Increasing Insurance Sales. S. Hommerin in Direct Marketing (US), Jan 83.
Illustrates the successful launch of Centraal Bebeer, a Dutch insurance company, into Belgian car insurance by establishing a computer-operated database, testing various epproaches, inter alia press, door-to-door, direct mail, and judging results in terms of types of customer and type of product to be offered.

The management exercise. D. Despres in Journal of European Industrial Training (UK), Vol 6 No 4.
Defines management exercises and their value, contrasts them with management games, traces their development, and presents examples and guidelines for their introduction.

Do you fight or pay up? D. Harvey in Chief Executive (UK), Dec 82
Discusses how a company should react if threatened with being taken before an industrial tribunal; explains the workings of the tribunal system, warns of some pitfalls—and hidden costs—for the employer, but reports that only a quarter of the cases reaching tribunals are upheld.

Job enrichment through symbol management. D. J. Moberg in California Management Review (U.S.), Winter 81
Suggests that, in a job enrichment programme, a job change will not be regarded as positiva unless job-bolders are encouraged to view it as such; discusses how managers can use language, patterns of activity and group meetings to convey the impression of an enriched job.

Manager, manage thyself! S. C. Aggarwal in Business Horizons (U.S.), Jan/Feb 83
Argues that the personal gains/comforts of managers are often inimical to overall company performance; gives examples of wastefnl/unnecessary functions with which middle managers/section beads surround themselves, and edvises on identification and elimination.

Keeping vehicles on the road. T. Annan in Accountancy Age (UK), 6 Jan 83
Summarises principles of effective transport fleet operation, particularly the collection/analysis of costs, replacement policy/vehicle choice, and maintenance control.

These abstracts are condensed from the abstracting journals published by Anbar Management Publteations. Licensed copies of the original articles may be obtained at £3 each (including VAT and P and P; cash with order) from Anbar, PO Box 23, Wembley HA9 8DJ.

TECHNOLOGY

EDITED BY ALAN CANE

EUROPE EMBARKS ON MANNED SPACE FLIGHTS NEXT WEEK

The shuttle flies again

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

EUROPE embarks upon manned space-flights for the first time next Monday, when the European Space Agency's $1bn Spacelab is due to be launched into near-Earth orbit aboard the U.S. Space Shuttle mission STS-9.

The Spacelab, built by a consortium of European companies headed by MBB-ERNO of West Germany, is a manned laboratory designed to be carried in the Space Shnttle Orbiter vehicle's cargo bay.

Carrying a six-man crew, beaded by veteran astronaut Jobn W. Young and including several men making their first trips into space, the Shuttle-Spacelab mission is designed to last for just under nine days, from the launch from the Kennedy Space Ceotre, Floride, to the landing at the Dryden Flight Research Centre, Edwards Air Force Base, California.

The orbital nath will be circular, about 250 kilometres (135 nautical miles) above the Earth, inclined to the equator at 57 degrees.

Complex

During the mission, the aim is to verify all the complex systems of the Speceleb and their interface with the Spece Shuttle system itself. The Orbiter vebicle being used is Columbia.

At the same time, the mission will conduct more than 70 separate investigations in five broad areas of scientific research: life sciences; atmospheric physics and Earth observations; astronomy and solar physics; space plasma physics and material sciences and technology.

In addition to Commander Young, the Shuttle-Spacelab crew will comprise Orbiter pilot Brewster H. Sbaw Jnr., making bis first space flight; Dr Owen K. Garriott, a veteran of an earlier manned space mission by the National Aeronautics and Space Administration, and Dr Robert A. R. Parker, also making bis first space flight. Tbe two latter are Missiou Specialist astronauts.

The Payload Specialists are Dr Byrou Lichtenberg, from Massachusetts Institute of Tecbnology, and Dr Ulf Merbold, of Max-Planck Institute, of West Germany, representing the European Space Agency.

Dr Merbold is the first non-American to fly eboard a U.S. apacecrapt, and is also making his first space flight.

The Payload Specialists are not career astronauts, and are not required to know how to fly the Shuttle Orbiter itself or operete its systems. They are career scientists and engineers, selected to fly in space on a particular mission and will devote themselves to conducting experiments.

The experiments for the mission are being provided by scientists in 11 European countries, the U.S., Canada and Japan. The U.S. Marsbali Spaceflight Centre (MSFC) in Huntsville, Alabama, is respoosible for the Nasa-sponsored portiou of the payload, and for overall management of the mission.

The European Space Agency's own Spaceleb Payload Integratiou In Europe (SPICE) team is responsible for the European portion of the payload.

Much depends on the overall success of the mission. STS-9, the ninth Space Shuttle mission, is deaigned to continne to perfect the myried techniques and complex systems of the Manned Re-usable Space Transportation System (STS).

More than 100 Shuttle launches are planned through the rest of this decade, and every mission is regarded as vital for the long-term development of the Space Shuttle system for commercial and other work in space, including the eventual building of a permanent manned space station regularly supplied from Earth.

Spaceleb is even more vital for Western Europe, for it represents the culmination of many years of work to develop a system thet can be used both commercially and scientifically by European organisations and companies to conduct their own activities in space.

Lacking its own manned space launching capability, the Spacelab bas been designed specifically for use in the Space Shuttle.

Under the European-U.S. agreement between the European Spece Agency and the National Aeronautics and Space Administration, signed in 1973, NASA will not boild its own Spacelabs, but procure them only from its European partner (unless the Europeans fail in their own responsibilities). NASA bes already ordered a second Spacelab.

The agreement provides for the establishment in Europe of a production capability "to ensure that the U.S. can procure additional Spacelabs, componeots and spares at reasonable prices" for its own purposes, in addition to any additional Spacelabs that the Europeans may also desire.

The agreement also stresses that the Spacelabs will be used solely "for the peaceful exploration and use of space."

A long-term programme of close collaboration between the ESA and NASA is thus envisaged, during which additional, refined and improved Specelabs will emerga.

Each Spaceleb ts designed for up to 50 separate missions. Until the experience of the first two or three Spacelab missions has been absorbed, it will be difficult to judge precisely what the long-term future will be.

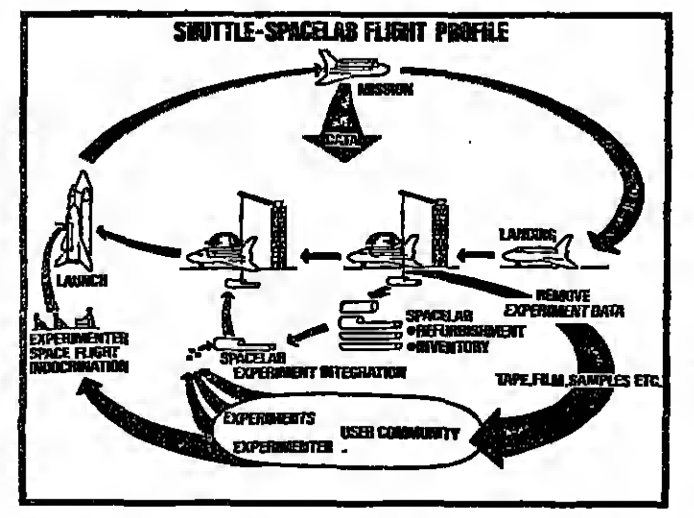
Looking beyond the forthcoming mission, the two agencies are studying the possibilities of extending individual mission times, and augmenting the power available for experiments.

Tha possibilities of eventual Space Stations and free-flying, retrievable missions are also being studied, but for the immediate future the task is to prove the validity of the Spacelab as it now exists.

The Spacelab consists of two major elements: a pressurised, habitable laboratory called a module, in which scientists can work in shirt-sleeve comfort without space suit; and unpressurised platforms called pallets designed to support instruments such as telescopes, sensors and antennae which require direct exposure to space. These elements can all be used either separately or in various combinations, and return to Earth for refurbishing for re-use.

The Spacelab does not separate from the Columbia Orbiter vehicle, but remains attacbed to it permanently throughout the entire mission. The Payload Specialists fly into space in the Orbiter, and move into the Spacelab for their working sessions through a 3.3 feet wide passageway called the Spacelab Transfer Tunnel.

Communications and data flow between Spacelab and Earth will be via the Tracking and Data Relay Satellite System (recently launcbed by the Shuttle) through to the Spacelab Data Processing Facility at Goddard Spaceflight Center, Greenbelt, Maryland.



UK CLAIMS LEAD IN PIPE MAINTENANCE

Sewer robot scrabbles beneath the streets

"WATER RAT" is a robot claimed to be unique in allowing—for the first time—precise and heavy-duty repair work to be carried out on pipes too narrow for men to enter.

The Water Research Centre (WRC) is in the final stages of testing the rat which consists of a multi-functional hydraulic arm, two close circuit tv (CCTV) cameras and an electronic controller. It can be pulled through pipes as little as 12 inches in diameter; once inside it can also probe even tinier lateral connections.

Mr Peter Rumsey, manager of applied technology at the WRC'a Engineering Centre in Swindon, said "There's nothing like it in this country, and we lead the world when it comes to water and sewer system technology."

To date, the WRC's rat bas been demonstrated relining delepidated sewerage pipes for the benefit of UK water authorities. The authorities have supported a co-ordinated research effort since the WRC—a private company—was first established in 1979. This business helps to permit three quarters of WRC's £13 million annual revenues.

WRS engineers prepare to put the water rat through its paces underground.

Money

There is money to be made in maintaining the drains of the world. Mr Rumsey said that the UK alone has sewers worth some £50,000 million and weter systems to the tune of another £25,000 million: "Keeping these systems in good working order is worth several per cent of their asset value each year."

But as the Water Authorities do much of this work themselves, tha WRC has now formed a consultancy, AWT, to benefit from a "three to four year lead" and export this British expertise around the world.

The renovation of an antiquated sewer is e good example of bow all this technology comes together. Drains become slow or even blocked when the old wall starts to crumble; relining involves drawing a new sleeve inside tha old 12-inch pipe. But this process also blocks the smaller, lateral tributaries from each bouse.

In order to unblock those lateral pipes once the new sleeve had been fitted, the water rat bad to be both aware of its environment and able to manipulate tools in the confined space. The idea of using robots in nipes is not new, but the WRC have taken the idea one step further by integrating a mnltifunctional hydraulic arm, CCTV and computer-controlled sensing.

The rat is winched along the major pipe—a self-powered version will be built next—where it first locates blocked lateral pipes. It prods the new lining with its hydraulic "arm" until a degree of "give" is found and then it stops automatically.

A cutter on tha arm is directed tn reopen the lateral pipe manually, guided very precisely around the junction with the aid of two CCTV cameras: one on the rat's back looking straight down the main pipe; and e second more flexible view being afforded by a camera on the arm itself.

The hydraulic arm has several degrees of freedom and can wield a wide range of tools. It will even extend a couple of metres up the lateral pipe, taking its TV camera with it, thanks to the fibre optic bundle which links it back to the rat. The electronic controller can be pre-programmed for certain tasks, refer back to a control system or rely on manual intervention.

This combination of automatic sensing and manual dexterity bas been combined in an electronic black box which follows the rat down the major pipe. It could allow one man to perform heavy duty pipe maintenance working semi-automatically at distances of anything up to 100 metres.

Water rat has cost the WRC just £40,000 to develop and e patent is pending. It will be offered to the Water Authorities which use the WRC "sometime in 1984 for a minimal cost—we don't intend to profit from them," said Mr Rumsey.

Applications

He added that the robot "certainly might have wider applications outside of our industry because of its ability to do heavy-duty work with its hydraulic arm in the kind of confined spaces which people have not tackled before."

But it might be up to other firms to follow up these opportunities; the WRC intends spending all its time finding new applications for the water rat down sewerage and water pipes. More from WRC on 0793-488301.

PAUL WALTON

Communications

Cable TV system

SONY has unveiled a cheap system for transmitting digital information over cable TV lines.

Reception units for the home or office will cost the equivalent of £150 when it is first sold in Japan, while a basic transmitter to supply over a hundred homes will work out at £20,000.

The Cable Digital Audio-Data (or CADA) system is capable of carrying facsimile, digitised voice, still pictures, computer games or any other kind of digital data over CATV. The company expects that it will first be sold to CATV companies, hotels, hospitals and schools when it goes on sale in Japan next summer.

The basic transmission system translates digitised data into a form which can then be transmitted through regular cable lines or optical fibre cables with little noise interference from any other signal sharing the system.

Japanese micro

A JAPANESE business microcomputer, the Duet-16, has broken the £1,000 price barrier and is claimed to be faster than the more expensive IBM PC.

The 16-bit micro, from Fujitsu and Matsushita, begins at a basic £995 and grows to an IBM PC-like system for £2,995. More from Computer Exchange International on 01-581 5671/4.

Bio report

THE PRICE of the Technical Insights report, Genetic Technology: A guide to key R. and D. projects, which was inadvertently omitted in Wednesday's article, is $267.

THE PROPERTY MARKET

BY MICHAEL CASSELL

'Sky Shops' for Herald Square

A $50M PROJECT to develop a series of shopping streets in the sky is fast taking shape on a corner of Herald Square in the heart of Manhattan.

In a city where people seem to spend as much time going up and down as they do moving backwards and forwards, the New York Land Company is pressing ahead with a plan which even New Yorkers are calling revolutionary.

Whatever inhibitions exist concerning multi-level retailing have been completely ignored in a development which aims to provide a seven-acre retail centre, containing 200 separate shops and restaurants, on no fewer than eleven floors.

The Herald Centre, now arising on the site of the old Corvette's department store, is wedged between Macy's and Gimbels on one of the city's busiest corners and stands at the core of an area which attracts retail sales of over $34bn annually.

Within the Centre, each floor will have a different address—like Madison Avenue, Wall Street and Broadway—and a different theme. Shop units will range from around 300 sq ft to 2,300 sq ft, base rents for an average trading unit will be in the region of $100 a sq ft and top rents reach well over $200 a sq ft.

Tenants will face an automatic 25 per cent uplift in rents after five years and a turnover-related formula if they do well. In addition, first-year service charges will be $30 a sq ft and there is a $10 a sq ft "promotional charge" to cover costs of a shared mail order catalogue, credit card facility and other joint promotional ventures. A one-off $4 a sq ft "opening charge"—to meet the bill for the launch party—completes the list.

So will retailers fall for the expensive formula and grab all the *floorspace* — nearly 120,000 sq ft — before the Centre opens next autumn? New York Land is very confident and has given Stanley Marcus, the U.S. retailing guru, the task of sorting out applicants and getting in the right tenants.

On this side of the Atlantic, David Cohen, who works as a one-man agency out of New Bond Street, has been enlisted to find the type of European tenants who will give the Centre a touch of Continental class.

He is looking for people like near-neighbours Asprey and was fed up to find they had already taken space in Trump Tower, the $150m *landmark* on Fifth Avenue which has some shopping on six floors and claims to be "the world's most talked about building."

"The problem for tenants is getting a 'street feel' for a shop which might be hundreds of feet above the pavement. But it's going to work and we expect 21m visitors in the first year." Macy's 175m a year) watch out.

Land Securities' sale

LAND SECURITIES has sold the freehold of 77-95 Victoria Street, SW1 to the Liverpool Victoria Friendly Society.

The property is opposite Windsor House and close to the Army and Navy Stores and comprises 51,000 sq ft of offices, together with a bank and five shop units. The build ing is let on a 25-year lease from March 1979 to the City of Westminster which has underlet the shops and part of the office space.

The price agreed shows the new owner an initial net yield of over 6 per cent and there is a rent review in 1984. Hillier Parker May & Rowden acted for Land Securities *and King & Co* represented the purchaser.

● Greater Manchester Council Superannuation Fund has paid £4.2m for the freehold of Thorncroft Manor, Leatherhead, the 35,000 sq ft headquarters of Howard Humphreys, consulting engineers. The property has been leased back to Mitchell Colts—owners of Howard Humphreys—at a rent of £225,000 a year. Wright Oliphant represented the Fund, Campbell Gordon acted for the vendor, Howard Humphreys' pension fund, and Jones Lang Wootton arranged for the leasing back to *Mitchell Cotts*.

● County and District Properties—part of Costain—has sold the freehold of its recent development at 12-15 Artillery Lane E1, to Boustead Commodity Brokers for £947,500. The 7,500 sq ft office building will be occupied by the brokers. Hillier Parker acted for the developers.

Still waiting for upturn in rentals

DESPITE all the encouraging talk of an upturn in letting activity and a revival in rental *growth* and values, a set of figures released this week puts the seasonal spirit into a suitably chill perspective.

At the risk of wrecking Christmas festivities even before they begin, Hillier Parker May and Rowden have produced a rent index which gives little cause for celebration so far.

The index confirms that commercial rental values have, over the last six months, barely moved at all. *In real terms*, moreover, they have continued to fall.

There is worse. Not only have rents continued to decline but in the most recent period under review they have courtesy of an upturn in *inflation*—fallen further than in the previous six months.

According to Hillier Parker, whose optimistic October forecasts for shop rents already look questionable on the basis of its own, latest evidence, rental values rose by *3.3* per cent between May and November this year. In the previous six months, they increased by 3.5 per cent.

It is worth remembering that, at one stage in 1979, the all-rent index showed a six-month rise of over 23 per cent (8.6 per cent in real terms).

But between May and November this year, inflation-adjusted rents fell by 1.5 per cent, slightly more than during the previous half-yearly period. With the exception of one period in 1980, the index has fallen consistently since May 1979.

As for those forecasts on shop rents, which have for some time represented the brightest patch in property, Hillier Parker last month reckoned that they would rise at twice the rate of inflation over the next two years. First signs of a recovery, it said, would be evident in the latest rent index.

No such sign, however, has emerged, with the shop rent index remaining at the level which has been unchanged for a year. While retail rents in central London are apparently moving strongly ahead, no rental uplift is yet in evidence elsewhere. The same can generally be said for offices and for industrial space.

So despite all the talk of what lies ahead, the stark reality is that Hillier Parker's rent index currently stands at 100, putting it back to the level *last* seen in May 1977. The agents do emphasise that, although rents remain depressed, very few are actually dropping and the percentage which is falling is lower than it has been for over 18 months.

Hardly the stuff of wide-spread revival. Perhaps Christmas 1984 will offer something more cheerful.

HMV signs for Trocadero

HMV has become the first major retailer to sign a lease on space in the £45m Trocadero Centre, the shopping, eating and entertainment complex being funded by Electricity Supply Nominees.

The Centre, on the northern edge of *Piccadilly Circus*, was due to have been open for trading by now but the programme appears to have slipped quite badly and hopes now rest on an opening sometime in April next year.

The HMV *deal* will come as good news for ESN and it is understood that the record retailer will be taking two units accounting for about 4,000 sq ft of the 35,000 sq ft of selling space available. No rent details have yet emerged. A couple of other units are understood to be under offer.

Details also emerged this week of the letting to Kennedy Brookes of the centre's four principal catering areas. The company is taking about 51,000 sq ft of floorspace on the lower ground, ground and first floors.

Rent payable will be £430,000 a year and it will also have to *pay service charges currently* estimated at £360,000 a year, a level which reinforces recently expressed concern about the high level of additional charges tenants can expect to face.

Kennedy Brookes says the cost of establishing the catering areas is about £3.8m and that ESN has agreed to meet up to £1.5m of this cost by means of non-refundable contributions. The balance will be met by a leasing arrangement for furniture and equipment costing about £800,000 and the issue at par of 1.49m ordinary shares in Lennoxcourt, the Kennedy Brookes subsidiary which will operate facilities at the centre. Other investors are also expected to subscribe for up to 49 per cent in Lennoxcourt.

City fringes get lettings boost

TWO MAJOR office lettings revealed this week have given a badly needed boost to the market around the fringes of the City of London.

Central and City Properties, the Western Heritable-backed operation run by David King, has finally let Bishop's Court, the 55,000 sq ft office scheme in Spitalfields. The tenants are Anthony Gibbs Sage and it is understood that the rent achieved is in the region of £12 a sq ft.

At the same time, Mellon Bank has agreed to take a 25-year lease on 6 Devonshire Square, the 75,000 sq ft building which forms part of the Greycoat - Standard Life scheme at Cutlers Gardens EC2. *No rental details* have been given, though asking rents of around £17.50 for space at Cutlers Gardens have not been achieved in the deals announced so far.

● Stoy Hayward, the chartered accountants, are taking a lease on 8 Baker Street W1, the 79,000 sq ft former home of the Davy Corporation. Rental is thought to be around £15 a sq ft. Richard Ellis and Smith Melzack acted for the tenant, Healey and Baker for CIN, the landlord, and Goodman Mann for Davy. Ellis has also assigned the lease of 7-17 Baker Street, the old headquarters of British Aluminium, to Matthew Hall for use as its headquarters. A sub-letting of about 5,000 sq ft of the 30,570 sq ft building has been arranged with the United Bank of Kuwait at £16 a sq ft.

● Shell Pensions Trust has agreed to fund the first £40m phase of the Milton Keynes Central Business Exchange. The first phase will comprise two six-storey office buildings offering 268,000 sq ft of office space. Hillier Parker May and Rowden, who represented Shell, and Jones Lang Wootton are joint letting agents for the scheme.

● John McLean and Associates, part of Tarmac, and Scottish Amicable Life Assurance have started work on their 42,000 sq ft office building on British Rail Property Board land adjoining Charing Cross railway station. There will also be 6,000 sq ft of retail space on two floors. Parnis Bird and Walker Son and Packman are letting agents.

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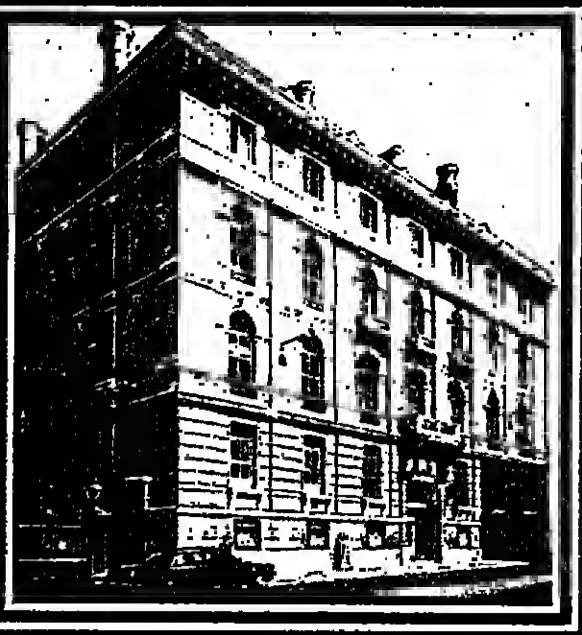

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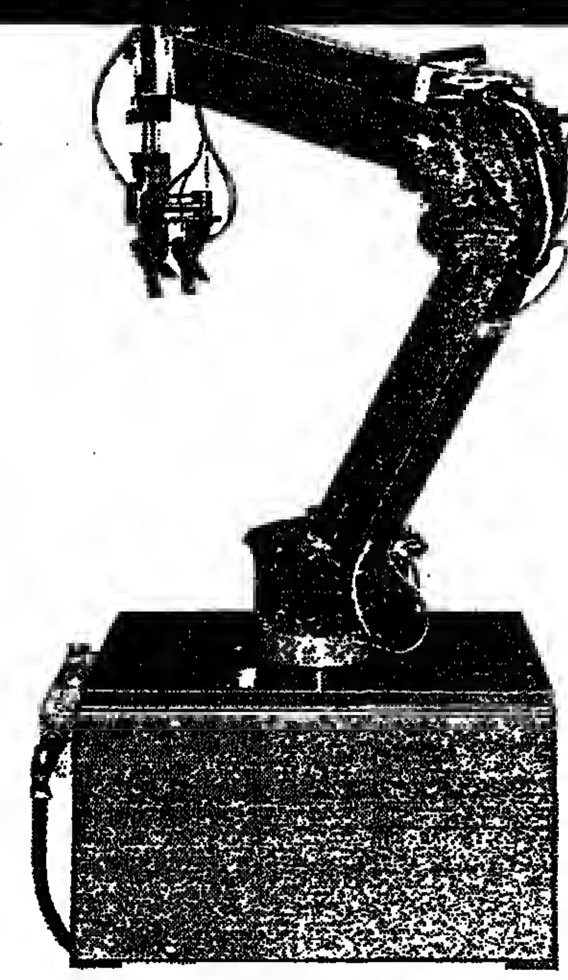

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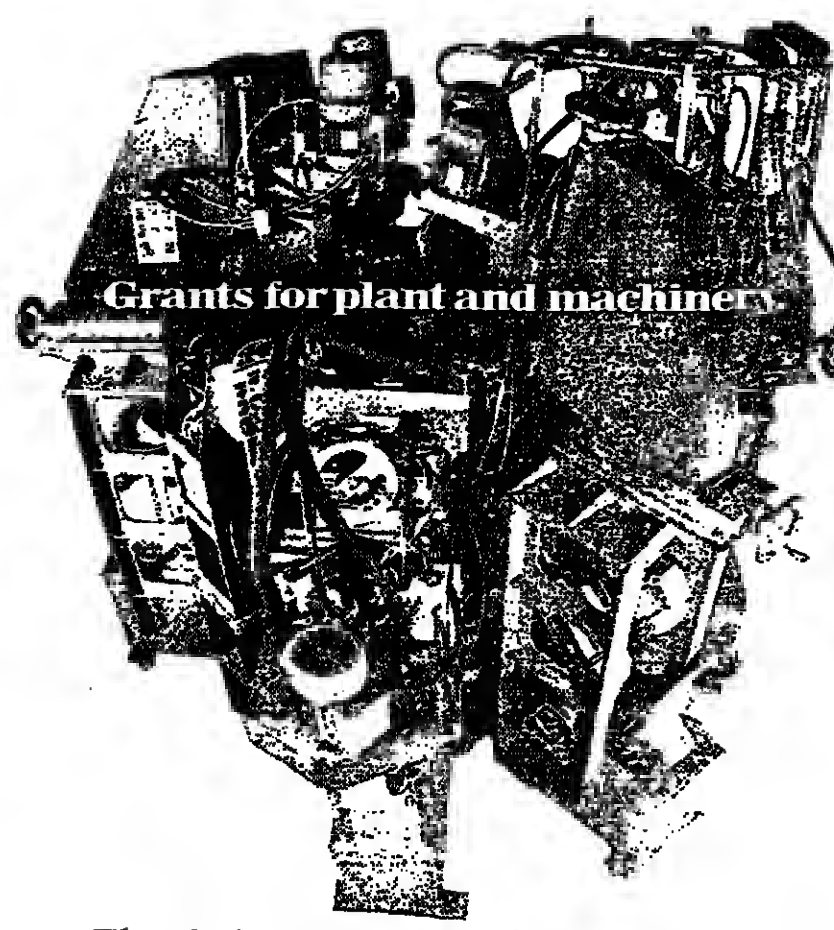

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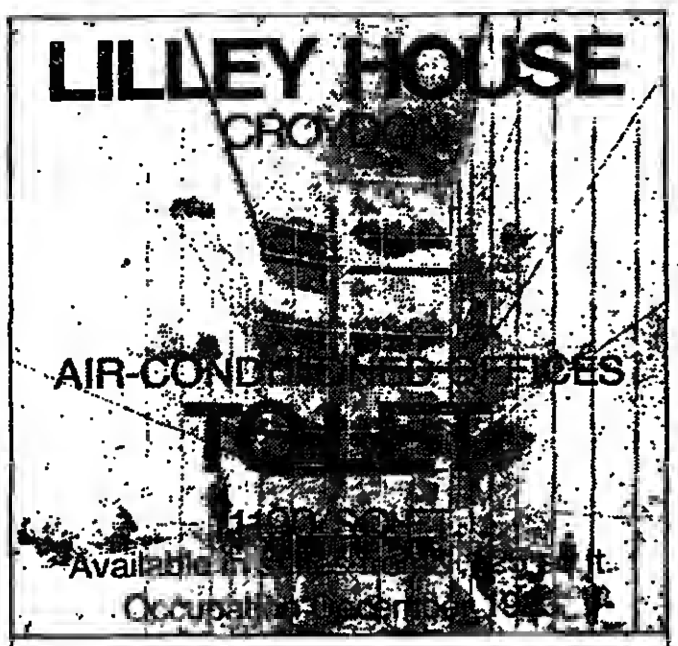

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Opera and Ballet

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Hoofdstad Operette, Carre Theatre, Amsterdam. White Horse Inn.

LONDON

Royal Opera, Covent Garden: a rare Massenet opera, Esclarmonde, is the latest vehicle for Joan Sutherland and Richard Bonynge. Further performances of Otello, with Placido Domingo in the title role and Colin Davis conducting: last of Boris Godunov, in which Claudio Abbado gives a display of imaginative comprehension and orchestral mastery of unequalled splendour. (240 1066)

English National Opera, Coliseum: another rare French opera, Gounod's Mireille, is mounted at the Coliseum for Valerie Masterson; Serge Baudo conducts. The rest of the bill is filled with The Tales of Hoffmann, a rather lacklustre revival of a once-admired company effort, and with the new production of Britten's Rape of Lucretia. (836 3161)

Royal Opera House, Covent Garden: The Royal Ballet presents Nureyev in a triple bill, followed by the return of Swan Lake.

PARIS

World Premiere of Olivier Messiaen's Saint François D'Assise conducted by Seiji Ozawa, produced by Sandro Sequi, costumes and decor by Guiseppe Crisolini-Malatesta with Christiane Eda-Pierre as The Angel. Jose van Dam as Saint François alternates with Glazunov's ballet Raymonda in a new production, Rudolf Nureyev's choreography reinterprets Marius Petipa. Decor and costumes by Nicholas Georgiadis, conducted by Michel Sasson/Michel Queval at the Paris Opera (266 5022)

Lucinda Childs dancing to John Adams' music at the Theatre de la Ville at 6.30pm. (274 1124)

Karole Armitage dancing to Jeffrey Lohn's music in Paradise at the Theatre de Paris. (280 0930)

NEW YORK

Metropolitan Opera (Opera House): The tenth of the centenary season features the first seasonal performance of Dialogue of the Carmelites, sung in English, conducted by Manuel Rosenthal with Frederica von Stade as Blanche and Johanna Meier as Madame Lidoine. Other performances of the week include Pier Luigi Samaritani's new production of Ernani, as well as Don Giovanni, La Traviata and the last seasonal performance of Peter Grimes. Lincoln Center. (580 9830)

New York City Ballet (New York State Theatre): The second week of the season includes mixed programmes and the beginning of the month-long performance schedule of The Nutcracker. Lincoln Center. (870 5570)

The Merry Widow: Light Opera of Manhattan takes on Lehar's story of belle epoque Paris as experienced by romantically inclined Marsovian widow. 334 E. 74th. (861 2288)

WASHINGTON

Washington Opera (Opera House): Performances this week of Semele and L'Elisir d'Amore. Kennedy Center. (254 3770)

Paul Taylor Dance Company (Eisenhower): A fortnight's mixed repertoire of one of America's favourite modern companies. Kennedy Center. (254 3670)

WEST GERMANY

Berlin Deutsche Oper: On the occasion of this year's Wagner anniversary Tristan und Isolde is presented with Wagner specialists Spas Wenkoff and Katerina Ligendza in the title roles. The magic flute has fine interpretations by Sylvia Greenberg and Norma Sharp in the main parts. Verdi's rarely played Macbeth is sung in Italian. Orpheus und Eurydike rounds off the week.

Hamburg Staatsoper: Hector Berlioz's die Trojaner is a Götz Friedrich production. The cast, which includes Karan Armstrong, Hanna Schwarz and Harald Stamm, is topped by Guy Chauvet in the leading role. Johann-Sebastian Bach's Amadis, rediscovered by Helmut Rilling last year, is perfectly cast with Helen Donath, Doris Soffel and Eberhard Büchner. La Traviata features Denes Gulyas and Sona Ghazarian in the leading parts.

Frankfurt Opera: Der Wildschütz, conducted by Volkmar Olbrich, brings together Hildegard Heichele and William Workman. Parsifal, also staged to honour Wagner, is steered to triumph by Walter Raffeiner in the title role. Die Entführung aus dem Serail has a complete new cast with Hildegard Heichele, Valentin Jar and Rudolf Mazzola.

Munich, Bayerische Staatsoper: This week's highlight is la Cenerentola, perfectly conducted by Ralf Weikert, with star tenor Francisco Araiza. Carmen, sung in French, is a new production by Jean-Claude Auvray. It has Stefania Toczyska excelling in the part of Carmen.

Berlin, Deutsche Oper: To mark the 100th anniversary of Wagner's death, a world premiere of Riccardo W is offered this month. It is choreographed by Valery Panov danced to music by Richard Wagner, Giacomo Meyerbeer, Felix Mendelssohn-Bartholdy and Hector Berlioz. Soloists are Eva Evdokimova and Thomas von Cauwenbergh (Fri).

Music

LONDON

London Choral Society and Philharmonia Orchestra conducted by Miguel Gomez Martinez with soloists including Linda Esther Gray, soprano. Verdi Requiem. Royal Festival Hall (Mon). (928 3191).

Orchestra of St. John's Smith Square conducted by John Lubbock with Igor Oistrakh, violin. Mozart and Haydn. Queen Elizabeth Hall (928 3191).

Fires of London conducted by John Carewe with Brian Rayner Cook, baritone and Mary Thomas, soprano. Maxwell Davies, Roger Smalley first performance. Queen Elizabeth Hall (Tue).

London Symphony Orchestra conducted by Claudio Abbado. Pergolesi and Stravinsky. Barbican Hall (Tue). (638 8895).

USSR State Symphony Orchestra conducted by Yevgeny Svetlanov with Eliso Virsaladze, piano. Prokofiev, Tchaikovsky and Shostakovich. Royal Festival Hall (Wed).

London Sinfonietta conducted by Anthony Pay. Weill, Wolfgang Rihm first performance and Henze. Queen Elizabeth Hall (Wed).

English Chamber Orchestra with Yehudi Menuhin, conductor and violin, Josef Fröhlich, violin and Andras Schiff, piano. Mozart and Beethoven. Barbican Hall (Wed).

London Symphony Orchestra gala concert in aid of the LSO Trust conducted by Claudio Abbado with Alfred Brendel, Piero Cappuccilli, James Galway, Kiri Te Kanawa, John Shirley-Quirk and others. Barbican Hall (Thur).

Royal Philharmonic Orchestra conducted by Walter Weller with Lazar Berman, piano. Smetana and Rachmaninov. Royal Festival Hall (Thur).

PARIS

Piero Cappuccilli, baritone, accompanied by the Ile De France Orchestra conducted by Jerome Kaltenbach: Leoncavallo, Zaza, Verdi, Giordano (Mon) TMP-Chatelet (233 4444).

Hermann Prey with Leonard Hokanson, piano (Mon) Theatre de L'Athenee (742 6727).

English Chamber Orchestra conducted by Yehudi Menuhin, Andras Schiff, piano: Mozart, Beethoven (Mon) Salle Pleyel (563 8873)

Eugen Indjic recital: Brahms, Beethoven, Mendelssohn, Scriabin, Prokofiev (Mon) Theatre des Champs Elysees (723 4777)

Ensemble Orchestral de Paris conducted by Philippe Bender, André Navarro cello: Clementi, Boccherini, Respighi (Tue) Salle Gaveau (563 2030)

Ensemble Orchestral de Paris: Chamber music: Andre Navarro, cello, Erika Kilcher, piano; Petit, Bach, Faure, Brahms (Wed) Salle Gaveau (563 2030)

Jean-Pierre Rampal and trio pasquier: Mozart (Wed) Theatre des Champs Elysees (723 4777)

Orchestre de Paris conducted by Georges Prêtre, Paul Tortelier, cello, Jean Dupouy, Alto: Strauss – Don Quixote, Tchaikovsky, 6th symphony (Wed, Thur) Salle Pleyel (563 0796)

ZURICH

Tonhalle: City of Birmingham Symphony Orchestra conducted by Neeme Jaervi with Dmitry Sitkovetsky, violin. Britten, Bruch and Sibelius. (Mon); Beaux Arts Trio. Beethoven, Smetana and Schubert (Tue); Tonhalle Orchestra conducted by Christoph Eschenbach. Bach and Webern (Thur).

HOLLAND

Concertgebouw, Amsterdam: Concertgebouw Orchestra conducted by Hans Vonk, Webern, Bartok and Tchaikovsky. (Wed and Thur).

CHICAGO

Chicago Symphony (Orchestra Hall): Daniel Barenboim conducting, David Schrader organ. Saint-Saens, Wagner (Tue); Erich Leinsdorf conducting, Jessye Norman soprano, Dennis Baily tenor. Mahler, Mozart (Thur). (435 8111)

NEW YORK

New York Philharmonic (Avery Fisher Hall): Andrew Davis conducting, Cho-Liang Lin violin, Mercure, Sibelius, Nielsen (Tue); Lukas Foss conducting/pianist. Schubert-Webern, Webern, Bach, Schumann (Thur). Lincoln Center (874 2424)

(Carnegie Hall): Joseph Kalichstein Piano recital. All Schubert programme (Wed). (247 7459)

Merkin Hall: Marguerita Oundjian & Ludwig Semerjian, duo piano recital. Haydn, Mozart, Schubert, Debussy, Larry Alan Smith, Hovhaness, Barkhoutarian (Mon); Music American Chamber Orchestra. Stephen Pomerantz director, Phillip Evans, piano, Ralph Evans violin, Ko Iwosaki cello. Beethoven, Haydn (Tue); Regina Shamvili, piano. Beethoven, Chopin, Schubert, Schumann, Glinka (Wed mat); William Black, piano. Mendelssohn, Franck, David Diamond (Wed); Martha Ann Verbit, piano. Liszt, Shostakovich, Chopin, Szymanowski, Ravel, Fennimore (Thur). 67th W. of Broadway (362 8719)

WASHINGTON

Los Angeles Philharmonic (Concert Hall): Andrew Davis conducting. Mozart, Mahler (Mon). Kennedy Center (254 3776)

National Symphony (Concert Hall): Rafael Fruhbeck de Burgos conducting, Alicia de Larrocha piano. Schumann, Tchaikovsky (Tue, Thur). Kennedy Center (254 3776)

Theatre

CHICAGO

E. R.(Forum): Moving into its second year parodying melodrama in a hospital setting, this emergency room continues its adventures among a young doctor, a receptionist and an authoritarian nurse. (496 3000)

NEW YORK

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262)

La Cage aux Folles (Palace): Perhaps this season's outstanding musical comes, like Evita and Cats before it, at the very beginning of the theatrical year. Despite stellar names such as Harvey Fierstein writing the book and Jerry Herman the music, the best parts of the show are not the hoopla, apart from the first-act finale a la Gaîté Parisienne, but the intimate moments borrowed direct from the film. (757 2626)

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020)

Torch Song Trilogy (Helen Hayes): *Harvey Fierstein's ebullient and* touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (944 9450)

Dreamgirls (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without the quality of their music. (239 6200)

Nine (46th St): Two dozen women surround Sergio Franchi in this Tony-award winning musical version of the Fellini film 8½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246)

On Your Toes (Virginia): Galina Panova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370)

Brighton Beach Memoirs (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childhood reminiscence now that the Nederlander organization generously decided to name the theatre after the generation's outstanding box office draw. (757 8646)

A Chorus Line (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions. (239 6200)

WASHINGTON

Noises Off (Eisenhower): Dorothy Loudon stars in Michael Frayn's comedy about the provincial run of a slapstick farce with lots of antics for a company that includes Brian Murray, Paxton Whitehead and Victor Garber. Ends Nov 27. (254 3670).

Beyond Therapy (Kreeger): Christopher Durang's romantic comedy has all the elements of modern singles life including meeting through the personal's column of a newspaper and a scene in a hip restaurant, but it reflects more than explores the shallowness of a surfeit of choices. Arena Stage (488 3300)

LONDON

The Real Thing (Strand): Susan Penhaligon and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes a happy note of serious levity. (836 2660/4143)

Daisy Pulls It Off (Globe): Enjoyable romp derived from the world of Angela Brazil novels: gym slips, hockey sticks, a clifftop rescue, stout moral conclusion and a rousing school hymn. *Spiffing if you're in that sort of mood. (437 1592)*

Noises Off (Savoy): The funniest play for years in London, now with an improved third act and a top-class replacement cast. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a *key* factor. (836 8888)

Glengarry Glen Ross (Cottesloe): One of America's best playwrights, David Mamet, has a startling world premiere at the National Theatre in this superb Bill Bryden production of life among real estate salesmen. The language rocks and rolls through idiomatic salespeak with many a glancing reference to post-Nixon break-in paranoia (928 2252)

Hay Fever (Queen's): Penelope Keith continues her reign as the iron maiden of British showbusiness. Well-dressed and marcel-waved, she plays Judith Bliss in Coward's great comedy, presiding over charades and confusion in a Thames-side country house. (734 1166)

Little Shop of Horrors (Comedy): Tawdry, camp musical based on a 1960 Roger Corman B-movie about a man-eating plant which revives the fortunes of a Skid Row flower shop. The 1950s pastiche is a bit wan, but the lyrics sharp. The plant grows from cactus-like vulva to piscatorial, blues-singing peach. Ellen Greene repeats her off-Broadway performance which is something like Fenella Fielding only blonde and way over the top (930 2578)

Exhibitions

BRUSSELS

15th Century drawings from Belgian private collections – 100 drawings including Jordaens, Teniers, van Goyen, Tiepolo, Poussin and Fragonard. Société Générale de Banque. Ends Dec 21

HOLLAND

American Graffiti, Mostly Puerto Rican street art in the U.S. transferred to canvas. Boymens – Van Beuningeo museum Rotterdam until Dec 4.

Irish Culture from 3000 BC to 1500 AD in Amsterdam's Rijksmuseum until Feb 26. The Book Of Kells, the most magnificent illuminated version of the gospels in Europe, is joined by a hoard of bronze, silver and gold treasures, all finely wrought and many of them encrusted with jewels – a reminder that long before its present troubles, Ireland had its Golden Age and was the last repository of Western art and learning to fall to the Vikings.

One hundred paintings by modern Dutch artists at the Stedelijk Museum, Amsterdam. Until Jan 8.

WEST GERMANY

Hanover, Wilhelm Busch Museum, 1 Georgengarten: The first venue of the roving exhibition with 178 etchings and lithographs by George Cruikshank, the British cartoonist. Ends Jan 8

Bonn: Rheinisches Landesmuseum: The most comprehensive exhibition of contemporary U.S. art ever shown in West Germany. It features works from the 1970s and 1980s by nearly 50 artists representing such styles as pattern and decoration, new image, new wave, new expressionism and graffiti. Ends Jan 15

Hamburg, Altonaer Museum, 23 Museumstrasse: "American Folk Art" has 200 paintings, drawings, textiles, ceramics and sculptures from the 18th century to date by U.S. artists. Ends January 15.

Bielefeld, Kunsthalle, 5 Artur-Ladebeck-Strasse: The first show in the Federal Republic of drawings by Georges Seurat, the French neo-impressionist, with 80 sheets. Ends December, 24 Düsseldorf, Städtische Kunsthalle, 4 Grabbeplatz: The first venue of a comprehensive show of the works of Francis Picabia (1879 to 1953), "the wildest individualist among the great modern artists," as a critic called him. How hectic his search for a new approach, a new style, a new motive was is illustrated by the Düsseldorf exhibition which has 180 paintings, drawings and collages by the Frenchman from all his work periods. Ends December 4.

Freiburg, Kunstverein, 48 Rathausgasse: 40 objects – many shown for the first time – by Gerd Rohling, a contemporary German artist of repute. *Ends* December 4.

PARIS

Raphael – Three exhibitions pay hommage to the great Renaissance painter – born 500 years ago. The Grand Palais assembles, for the first time, most of the paintings and drawings from French museums, among them Le Petit Saint Georges, La Belle Jardinière and Balthazar Castiglione's portrait. Another exhibition shows Raphael's influence on French art from the 16th century to the present. Grand Palais (261 5410). Closed Tue, Wed late closing. Ends Feb 13. The Louvre completes the anniversary celebrations with an exhibition of the most brilliant of Raphael's collaborators, among them Giulio Romano, and of his disciples. Louvre, Cabinet Des Dessins (260 3926). Closed Tue, Ends end of Feb.

Balthus – in collaboration with the Metropolitan Museum 50 paintings and as many drawings are shown in the secretive painter's first retrospective revealing a universe peopled with adolescent girls and cats in an atmosphere of troubling innuendoes. Centre Georges Pompidou, Closed Tue, Ends Jan 23 (277 1233)

Cycladic Art from the N. and D. Goulandris Collection – more than 200 remarkable items dating from the third century B. C. are being shown at the Grand Palais before returning – definitely – to Athens. Grand Palais (ends Jan 9 1984). Closed Tue, Wed late closing night 10 pm (261 5410)

LONDON

The Hayward Gallery: Raoul Dufy – a timely reminder that this hero of countless chocolate boxes and post cards, the acceptable face of modern art, was not only a significant painter but a Fauvist of peculiar character, a follower but no slave of Matisse, who later developed into a decorative artist of the first importance. His elegantly perfunctory notation, and his characteristic imagery – white sails in the bay, palm trees below the balcony, bright silks against the apple green of the racecourse, have been taken up and broadcast endlessly by lesser talents. His fabric designs and tapestries are especially remarkable in a beautiful and necessary exhibition. Ends Feb 5.

The Hayward Gallery: Hockney's Photographs – a brisk survey of Hockney's practical use of the camera from simple reference and aide memoire to photographic exercises. This latter aspect developed slowly but has speeded considerably in the past 18 months. The composite photographic image is no longer just a simple still life or portrait study, but a strange and intriguing image of an event, a sequence of action, a passage of time. Ends Feb 5

ITALY

Milan: At the Chiesa delle Grazie there are 100 pre-Raphaelite and Neogothic paintings for church windows.

Venice: Palazzo Ducale, 7000 years of China exhibition. Ends Dec 31. Museo Correr: Titian's engravings on show. Palazzo delle Prigioni: exhibition of works by Massimo Campigli.

WASHINGTON

National Gallery: Art of Aztec Mexico combines works confiscated during the Spanish conquest of 1521 with the unearthing in 1978 of the Great Temple of Tenochtitlán, capital of the Aztec empire, in central Mexico City. The most comprehensive Aztec art exhibit ever mounted in America reflects the religion that suffused the Aztec culture, with gods performing sacrifices that had to be repeated by man in order to keep the sun moving across the sky and the cosmos working. Ends Jan 8, 1984

CHICAGO

Museum of Contemporary Art: 46 paintings of Superrealist Malcolm Morley trace the British-born painter's style from its origins in abstract works through Pop art to the ocean liners based on postcards that show the photo-realist influence of his self-styled Superrealism. Organised originally by the Whitechapel Gallery in London, the show includes recent pastoral landscapes with beach scenes and animals. Ends Jan 22

NEW YORK

Metropolitan Museum of Art: 75 works from the 20th century collection of Baron Thyssen-Bornemisza will include 10 of his latest acquisitions. Featured in the show will be works by Kandinsky, Picasso, Gris, Dali, Bacon, Freud and Rothko. The recent acquisitions are works by Georgia O'Keeffe, Balthus, Mondrian, Picasso and Natalia Gontcharova. Ends Nov 27

Cinema/Nigel Andrews

Eaten by the video nasties

Videodrome, directed by David Cronenberg
Before The Nickelodeon, directed by Charles Musser
Girl From Trieste, directed by Pasquale Festa Campanile
Tales Of Ordinary Madness, directed by Marco Ferreri
Triumphs Of A Man Called Horse, directed by John Hough
Lone Wolf McQuade, directed by Steve Carver

Scene from " Girl from Trieste "

Every new medium or new technology creates its own symbol - scape. *Videodrome,* written and directed by David Cronenberg (of *The Brood* and Scanners), is an everyday tale of Man ingests Videocassette. Our hero Max Renn (James Woods), lean and rodent-faced chief of an "Xploitation" TV cable station, pursues the hot-property Holy Grail of a new line in hallucinogenic pornographic-violent video software called "Videodrome," and pays the ultimate price by becoming a human video recorder himself. Late in the movie, his stomach develops the ability to open up at the whir of a mental command to receive — through a palpitating slit — the cassette of his choice.

Briefly donning my hat as a video critic, I can testify to the sinister anthropomorphism of the VCR. The mechanical jaw which whirs up from the machine's surface to gobble up an offered tape (or an offered finger if you're careless) will surely become as noted and eerily animate an icon in the 1980s as the whir of a movie projector and the flickering ghostly spaces of a movie screen have been in decades past: used to effect in countless films about terror in the drive-in or stroboscopic mayhem in the local Odeon.

But alas and alack, *Videodrome,* like many Cronenberg films, has a marvellous breakthrough idea and then loses it in a maze of plot. Initiated into the S-M *frissons* of advanced video by sultry sexpot Deborah Harry ("Take out your Swiss army knife and cut me a little," she purrs as they watch a Videodrome show together), Mr Renn soon finds that nothing is what it seems. His TV screen begins to bulge and dilate like an overripe Brie, videocassettes pulsate and achieve meltdown even as he holds them, and ere long he is an obvious target for jokes (though no one makes them) about having the stomach for *video nasties. Meanwhile* the audience is called upon to swallow an overdose of evil-genius supporting characters, from "Professor Brian O'Blivion," who runs a Cathode Ray Mission for TV addicts, to one Barry Convex, who supplies "cheap glasses to the Third World and missile guidance systems to NATO"(!) And as the real and the irreal inextricably intertwine — which is presumably Cronenberg's message *vis-à-vis* dependence on the media — *grand guignol* gradually escalates.

This would be all macabre fun if we had a map, a compass and a stout pair of walking boots. But like *Scanners,* where if you recall a man's head exploded causing much audience startlement followed by almost total narrative fracture, *Videodrome's trompe l'oeil* pyrotechnics have a knock-on chaos-inducing effect in the plot. "It has something you don't have, Max," says someone of Videodrome, a "philosophy." Cronenberg's film has a philosophy too, of sorts. What it doesn't have is any dramatic momentum or coherence — substituting instead merely a florid urge to gallop on to the next special effect.

*

Before video there was cinema; before cinema, as we know it, there was the Nickelodeon; and before the Nickelodeon there was Edwin S. Porter.

Charles Musser's excellent documentary of that title about Porter, America's greatest pioneer in movies before D. W. Griffith, shows that in 90 years of moving pictures surprisingly little has changed. Sensation was the order of the day in the 1890s —when audiences gasped at the first giant screen kiss and journalists wrote word-boggingly of the "joyous overpowering luscious osculation"—just as in the video world of the 1980s sensation-seeking is still (however much tut-tutted) a *major factor.*

Porter's 1903 Western adventure *The Great Train Robbery* is still deemed the first important narrative film. Musser argues that Porter was notable not only for this movie and its status as a historical "first," but also for his doughty, if sometimes frustrated tackling of then vexed storytelling problems. Since no one had yet "invented" cross-cutting, how were film-makers to portray two simultaneous events on the screen? Porter simply followed one event with another and hoped for the best. He was more successful, claims Musser in another vexed area: that of continuity between shots. By the now simple device of overlapping an action—a shot in a saloon bar ends with a man being bounced out of the door, the next shot in the street begins with the bounced man's ejection —Porter helped movies grow from a series of isolated tableaux into the embryo, at least, of a storytelling sequence.

With its handsome hand-tinting of still and moving pictures and its lively commentary by veteran silent star Blanche Sweet, *Before The Nickleodeon* is a must: a magical glimpse into Moviedom's early history.

In the supporting programme at the ICA, you can see a fistful of early Porter story films. These include his bizarre *The White Cops,* wherein a vigilante band wearing perforated pillowcases over their heads tar and feather a luckless (white) victim, and his even more piquant *The Teddy Bears,* which steers the Goldilocks story towards full Western realism. After wafting us through the familiar early stations of the fairy tale, Porter ends with Ma and Pa Bear pursuing our heroine out of the house and into the woods and then getting summarily shot down by a ranger's rifle.

*

I regret the absence of forest rangers in Pasquale Festa Campanile's *Girl From Trieste.* Marksmen with well-primed rifles would have been most useful in dealing with (i) the heroine played by Ornella Muti, a nymphomaniac at large from a mental asylum and (ii) the hero played by Ben Gazzara, a macho strip-cartoonist at large from America, into whose arms Signorina Muti sweeps herself.

Was this perfervid nonsense made back to back with Marco Ferreri's *Tales of Ordinary Madness,* which featured the same stars and much the same kind of shenanigans? Miss Muti removes her stockings in public cafes, attracts invisible orchestras at the drop of a trauma, sees an army of imaginary cockroaches in Gazzara's bathroom, and has the habit of feeling her way along blank walls with outstretched hands as every good Italian neurotic has done since the early films of Antonioni. "Let's 'ope eet's just a passing phenomenon," says French-accented doctor Jean-Claude Brialy: a sentiment the Press audience volubly but vainly shared. The film lasts for 103 feeling minutes.

*

Two quasi-Westerns ride bareback into town this week, dispensing with the saddle of a secure, well-shaped screenplay. *Triumphs of a Man Called Horse* is part three of the white-man-becomes-Red-Indian saga starring Richard Harris.

Mr Harris dredges up sumptuous Welsh vowels from that craggy visage for an hour or so before dying and leaving the screen to his son Koya (Michael Beck), an inadequate substitute. This preposterous pot-pourri of out-West action and reaction needs all the Harris it can get. Britain's John Hough directs with many a bold tableau but little success in fortifying the feeble plot about white man's gold fever trespassing on red man's land. Only another Briton, photographer John Alcott, distinguishes himself, with a sequence of those magnificent tinted skyscrapes he pioneered in *Barry Lyndon.*

Lone Wolf McQuade boasts all the trappings of a Western, from horses to bolsters to hickory wisdom, but takes place in the America of here and now. Texas Ranger Chuck Norris battles with evil entrepreneur David Carradine, wearing a crooked grin and a lozenge-patterned sweater. Between the two slomps the astounding Barbara Carrera, who here limbers up for her see-it-to-believe-it cameo in the new Connery Bond film (opening soon), *Never Say Never Again.* Carrera looks and acts like a cross between Ava Gardner and Maria Callas.

Covent Garden's Annual Report

Presenting Covent Garden's annual report, the chairman of the board of directors, Sir Claus Moser, yesterday gave renewed support to the gathering argument that the arts in Britain, unlike the arts in the rest of Europe, are seriously underfunded by the Government.

He commented on "a new and widespread feeling of insecurity due not only to expenditure cuts but also to nagging doubts as to whether this country, and many people in key positions in Government, central and local, in business and elsewhere, are really committed to a policy of sustaining what has been achieved."

Nagging doubts about the Royal Opera house's artistic policy were forgotten in the confidence of Sir Claus and his general director, Sir John Tooley, afforded by the findings of the Priestley report, published last month, which reaffirmed the national need for a highly sponsored (by the taxpayer) home for opera and ballet, found no evidence of significant waste, and recommended an increase of 17 per cent on the current Arts Council grant of almost £1m.

Expenditure at the Opera House for 1982-83 rose by nearly 10 per cent and box office receipts by just under 6 per cent. The accumulated deficit is £1.4m which includes a projected deficit of £1.2m for the current financial year alone.

Priestley recommended that this deficit should be written off. Sir Claus said that everyone continued to work at the Opera House on the assumption that the recommendations of the Priestley Report would be implemented by the Minister of the Arts. He was unhappy, though, with Priestley's suggestions of planning a more "commercial" repertoire. If that principle was accepted, he said, this current season would never have included the *Triple Bill, Lulu* or *Boris Godunov.*

Words like "accessibility" and "out-reach" keep rearing their ugly heads, but Sir Claus made it clear that ways of widening and deepening the community's response to Covent Garden were under constant review and even on practical trial.

He welcomed a suggestion from the floor that successful productions might, even in a skeletal form, be transferred to other London houses, and he reiterated his disappointment at the collapse of the Palace Theatre, Manchester, operation. Sir John Tooley said that plans were afoot for relaunching seasons by the company in the north-west of England.

National Heritage Memorial Fund

Antony Thorncroft

Lord Charteris, chairman of the National Heritage Memorial Fund, has joined the chorus of the arts establishment that this week has been calling for more Government aid. He believes the Fund needs an extra £10m on top of its annual grant of £3m to adequately carry out its task of safeguarding the national heritage.

The current reserves of the Fund are just £7m, an inadequate sum to meet a sudden emergence, like the saving of a major country house. At the end of its financial year in the spring its reserves exceeded £22m, but commitments, such as the unanticipated need to produce £8m to save Belton House for the National Trust, have eaten into its resources.

The Fund has a check list of other houses that might need saving at any time. High on it are Kedleston and Fyvie, in Scotland. It is currently organising a charitable trust to save another threatened Scottish castle, but it fears it can do nothing to help Calke Abbey in Derbyshire, a miraculous survival of a 19th century interior in an 18th century house which now faces an uncertain future. With more money it could save Calke.

The annual report emphasises the scope of the Fund. In 1982-83 it promised £2m towards the National Trust's acquisition and future management of Studley Royal Estate, which contains Fountains Abbey, and gave £75,000 towards restoring the pier at Bangor. It acquired two paintings by Poussin and contributed £29,000 to the salvage and restoration of the first British submarine, launched in 1901 and lost in 1913. There was a grant of £6,200 towards the restoration of Trades Union Banners and £14,000 to bring back to the UK the "Memoirs of an Infantry Officer," the manuscript by Siegfried Sassoon.

Philharmonia/Festival Hall

Dominic Gill

It can happen that even the most promising musical combinations sometimes fail—for no predictable reason—to strike the expected sparks. Kurt Sanderling and the Philharmonia have been for several seasons one of the South Bank's most rewarding partnerships. The addition to these forces of Mitsuko Uchida, whose Mozart sonata cycle so delighted us last year, as soloist in the B flat piano concerto K595 on Wednesday evening should have been irresistible. In the event though, the performance had its pleasures, in large measure it was disappointing.

The orchestral ensemble was nowhere near as well knit as the Philharmonia at its best: string detail was too often blurred, and phrase-edges were sometimes ragged. Uchida's stance in the first movement was never clearly defined: gentle, sweet-natured and sweet-toned, but far too frequently inclined to the shy, dying cadence, the wistful diminuendo to half-voice. The scale of the playing was unexpectedly miniature, the manner uncharacteristically withdrawn. Her larghetto, a delicate self-communing, was rather beautiful in its fashion, poised on the edge of the staves, almost afraid to break, but strangely distant. Her finale, similarly detached in its emotional impact, was fast and clear and palely gleaming.

In almost every aspect, it was a reading which remained obstinately earthbound, without buoyancy. Even Sanderling's direction was bland, more correct than loving. His account after the interval of Beethoven's Eroica symphony was not first-rate Sanderling either, but it had vitality and cogency where the Mozart had merely drifted. A utility model Eroica: decent enough, but without any of its brightest magic.

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High stakes for the TUC

THE STAKES in the Stockport Messenger dispute are potentially very high, most of all for the TUC.

It is faced with a dispute which, though it may yet be defused, contains all the ingredients of a setpiece pitched battle between government and unions over a framework of labour legislation which has still suffered no heavy assault. The National Graphical Association has made it clear that it will continue its defiance of the law, appealing under the decisions adopted at the TUC's Wembley Conference of April 1982 for support. Mr Eddie Shah, the Messenger Group's chairman, is equally firm that he will not reinstate six sacked NGA members. Result—the ready escalation of the dispute by NGA activists into an anti-employment law crusade.

The TUC has tried to move as cautiously as it can—though it has expressed more support for the NGA—and hence stored up more potential trouble than Mr Len Murray, its general secretary, would have wished. No dispute of this kind comes at a good time but this one has burst upon the union movement at a particularly embarrassing juncture.

Mr Murray, with other senior colleagues, is now tiptoeing through fields of nettles with Mr Tom King, the Employment Secretary, towards a possible voluntary accommodation on the political levy and—in the further distance—the possibility of a similarly non-statutory agreement on strikes in essential services.

The pressures on both sides are great. Mr Murray's acceptance that the union movement must express its opposition to Government policies within constitutional limits is not yet wholly shared by all his colleagues. Mr King is regarded with suspicion by sections of his own party, and of the business community, as being potentially to trustful of solemn and binding agreements. Where Mr King has the option of falling back on further legislation to curb the unions if the TUC's "new realism" fails, Mr Murray must have the gloomy foreboding that, in that event, the unions have nowhere to go but down.

New technology

While the NGA and the unions' left see the Messenger dispute in the historical perspective of the mass industrial action which destroyed the Heath Government's Industrial Relations Act, the parallel is specious. The unions are weaker, the Labour Party still lacks authority and the employers wholeheartedly support the new employment law. On a strategic view, the Messenger can only bring bad news for the TUC.

The NGA was always among the most likely of all unions to fall foul of the new law. Its insistence on closed shops, and on defending them by picketing and blacking where they were threatened, runs directly counter to the letter and spirit of the legislation. Politically centrist, it has always been willing to be *industrially militant* in defence of its organisation: the increasing pressures on it of new technology have reinforced that trend. It has been able to do what other unions have wished to but could not, yet the fact is that, for most other unions, the world has moved on. The NGA now remains almost unique in its ability to impose its will by industrial means.

Despite the difficulties for the TUC in distancing itself from the practical consequences of the NGA's stance, it must be prepared to do so, both in its own interests and in the interests of a better framework of industrial relations. The longer the delay in establishing a stable basis for industrial relations, where agreements are made and kept, where disputes are governed by procedure and where the law is respected as a last resort, then the longer it will be before abuses by both sides can be rationally reformed, and the real issues of industrial relations and productivity tackled. And the smaller will be the unions' ability to influence these changes.

A dream ends

THE RESIGNATION of Herr Horst Dieter Esch from IBH, the construction equipment company which he created, ends a remarkable European effort to establish a position of world leadership in one of the most difficult and competitive branches of the engineering industry. Starting with a small business in Germany in 1975, Herr Esch set about acquiring other construction equipment companies, mostly loss-making, in Europe and the U.S., aiming to build a group which could hold its own against Caterpillar of the U.S. and Komatsu of Japan.

Herr Esch might claim that if the German banks had been more co-operative the dream could have been realised; the desperate slump affecting construction equipment throughout the world—even Caterpillar has been making losses—will not last for ever. But the effect of the recession was aggravated by management errors, notably the failure to take drastic rationalisation measures immediately after each take-over. It seems that Herr Esch was too ambitious, underestimating the difficulty of welding together disparate companies with incompatible products.

Yet it is not obvious that the acquired companies would have done any better if they had not been bought by Herr Esch; some of them were already bankrupt and others were in the hands of groups which had no continuing interest in construction equipment. No doubt Herr Esch's failures will confirm such companies in their reluctance to launch ambitious efforts to compete against the world leaders. Yet an improvement in Europe's competitiveness is not going to take place unless there are entrepreneurs with the ambition, commitment to their industry and vision of the world market which are unfortunately rare. It would be a pity if European businessmen and bankers drew the lesson from the demise of IBH that caution is always the best policy.

Realism in France

THE *Leitmotif* of French industrial policy this time last year, promulgated by M Jean-Pierre Chevenement, the former Industry Minister, was that "there are no condemned sectors." This year, with the tightening of the Government's overall economic policy and with the appointment in March of a new Industry Minister, M Laurent Fabius, the tone has changed.

M Fabius in his public declarations has come as close as any Socialist Minister can dare to suggesting that the country's overmanned and heavily loss-making coal and steel sectors will have to be pruned drastically. And the line was reinforced on Wednesday with the Government's announcement that further budgetary assistance to the big nationalised steel groups will be dependent on a return to profitability.

The public announcement of tough financial conditions contains an element of shadow-boxing. The Government is trying to bully the steel unions—who have been remarkably compliant up to now in the face of steadily declining employment—into accepting further cuts.

The rest of the newly-nationalised industrial sector—in chemicals, electronics and metal-working—generally expects better results this year (partly as a result of some sensible government-induced restructuring) and should therefore in 1984 and 1985 represent a smaller drain on scarce budgetary funds.

On the other hand, the Government knows that the two state steel groups, which are still investing heavily in spite of losses of around FFr 9bn this year, can hardly avoid considerable recourse to outside finance for several years to come—if not direct from the budget, then from the banks via low-interest loans.

The message served up on Wednesday, which bears the hallmark of the rigorous budgetary approach of M Jacques Delors, the Finance Minister, was that the funds will not be forthcoming unless further capacity cut-backs are made.

The Government's own steel plan, drawn up last year, forecasting production of 24m tonnes by 1986 (this year's output looks likely to be 17m tonnes) will have to be re-cast, and further plant closures are clearly in the offing.

The French steel industry may not yet be set the target—officially in force for the rest of the state sector—of breaking even by 1985. But at least the tougher government line, coming just a week after the National Assembly voted a substantial cut in the volume of state aid for the coal industry, *shows that the mood of realism* in France is becoming contagious.

THE U.S. OIL MAJORS

Mr Pickens goes for Gulf

By William Hall in New York

Mr T. Boone Pickens

Mr James Lee

THE BATTLE is being fought out in full page advertisements in newspapers across the world. The air is thick with charges and counter charges. Even by the rough and tumble standards of the U.S. *oil industry*, it is turning out to be a contest to remember.

At stake immediately is the future of Gulf Oil, fifth largest oil company in the U.S. and one of the "Seven Sisters." But if the attack that has been launched by T. Boone Pickens succeeds, other oil majors may also find themselves vulnerable.

Mr Pickens, who started in the West Texas oil business with $2,500, is head of Mesa Petroleum (ranked 92nd in the U.S. oil company league table) and has already supplanted the Mellon family, who founded *Gulf in 1901, as the company's* largest shareholder.

But he has no intention of leaving it there. His idea is to spin off some of the Gulf's highly profitable oil and gas reserves in a royalty trust (see panel) "so that shareholders can better realise some of the underlying value of their company."

Pickens' company has already spun off two royalty trusts and several other small U.S. oil companies have done the same. But the idea has never been tried on a major oil company—and this is what is worrying executives in other big oil companies. *What happens if Mr Pickens'* ideas catch on?

Mr Pickens has picked on Gulf because its share price values the company at considerably less than the market value of its oil and gas reserves (mainly because they are lumped in with relatively unprofitable downstream refining and marketing operations). He quotes J. S. Herold, a Greenwich, Connecticut, research firm, which has put an appraised value of $114 per share on Gulf against its current market price of just over $40.

"If the Pickens' effort to split up Gulf succeeds it will be hard for other major oil companies to escape the same fate. What we will be left with is an array of smaller oil companies, each with much less capital to spend on vital activities such as exploration for new oil and gas," says Dillard *Spriggs*, a New York energy consultant. Mobil and Texaco, two of Gulf's bigger sisters, could be vulnerable. Their track record is not much better than Gulf's.

When Boone Pickens first caught Wall Street's attention last year he was making a cheeky $4bn bid for Cities Service Company, another slumbering oil giant. Stung by accusations that he did not have the financial muscle to see the bid through, Pickens tartly told a reporter, "I did not arrive in town on the back of a water melon truck."

Since then his credibility has improved. He was *outbid* in his attempt to take over Cities Service, but made a handsome profit for Mesa shareholders, a feat he has repeated in subsequent shrewd dealings in oil company shares, with the result that more than half Mesa's profits came from share dealing last year.

A large part of the U.S. oil industry regards Boone Pickens as little more than a corporate "horse trader" in the oil patch. But Wall Street has taken to him.

Even before Pickens put the spotlight on Gulf, Wall Street was well aware of the company's lacklustre record. Its return on capital averaged 10.2 per cent over the five years to end 1982, the lowest of the 14 biggest U.S. oil companies. Its rate of dividend growth was the slowest during the five-year period and, according to International Petroleum Finance, after adjusting for inflation there was no growth in Gulf's dividend.

It has been one of the least successful oil majors in discovering oil in the U.S. According to *Pickens* its *U.S.* oil reserves have fallen by 30 per cent over the last five years and it has only replaced 43 per cent of its U.S. production over the same period.

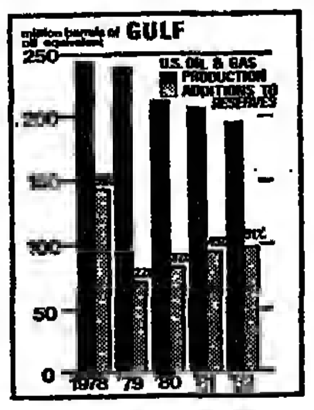
James Lee, who took over as chairman of Gulf in 1981, does not dispute the company's poor record. "There are two things that can be said about our current position and most recent performance. First, we don't like it. And, second, we're working hard to change it," Mr Lee told shareholders at last May's annual general meeting.

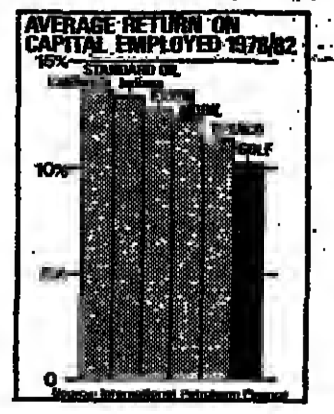
Under his direction Gulf has made swingeing cuts in its organisation. It has shed 15,000 people from its worldwide payroll and cut its U.S. workforce by close to a fifth, saving an estimated $100m a year.

It has raised more than $2bn from asset sales. Since the start of the year, Gulf has sold its loss-making refining and marketing operations in Switzerland, the Benelux countries and Scandinavia, and put its important Italian and UK marketing operations up for sale.

It has pulled out of the speciality chemical business in the U.S. and is putting the finishing touches to a $500m upgrading of its refinery operations which will greatly increase its ability to refine lower-cost heavy and sour crude oils. This move, together with a major rationalisation of its U.S. service station network, is expected to save the company more than $300m a year by 1984.

Gulf's retrenchment means that it is now much more of a domestic U.S. oil company than some of its rivals and perhaps should no longer count as one of the "Seven Sisters" which once used to rule the international oil world. U.S. operating earnings account for 60 per cent of the total and Gulf Canada, one of the top three Canadian oil companies, produces another 20 per cent.





Finally Gulf has spent $1bn buying back 30m of its shares, equivalent to 15 per cent of its equity, in an effort to boost shareholder returns.

Mr Lee firmly believes that the painful measures of the past two years are beginning to pay off and points to the 74 per cent rise in third quarter profits as proof. The group's return on equity, which fell to 9.1 per cent last year, is expected to be back into the 11 per cent to 12 per cent range shortly, and the company is talking of longer term targets of 16 per cent, and maybe 20 per cent, in a few years' time, if its plans are achieved.

Boone Pickens does not set much store on Gulf's efforts to put its house in order. "Selling off their European marketing operations is peanuts compared to what we are asking them to do. That is just good housekeeping," he says.

He is especially critical of Gulf's inability to replace its domestic reserves of oil and gas. "If you are not replacing those reserves you are in liquidation very simply. This company has been liquidating itself for over 10 years now," says Pickens.

He believes that if a company is depleting its reserve base it should do it under a structure which is more efficient for shareholders and this means a royalty trust with the income flowing direct to shareholders.

Pickens argues that Gulf should shrink itself down to the sort of size where its exploration operations can find enough oil to maintain its reserve base.

Gulf has been sensitive for some time about its inability to find enough oil and gas in the U.S. to maintain its production and has recently made a fundamental change in its exploration strategy, switching its drilling teams out of the mature producing fields in the U.S. and into the "frontier" oil exploration areas such as Alaska.

The costs and risks are higher but the chances of finding a really big oil field are much better.

Pickens derides Gulf's new "frontier" strategy. "These are the same players that were unsuccessful in letting 30 per cent of Gulf's domestic oil reserves get away from them over the last five years," he told a recent packed meeting of investment analysts in New York. Now they were being sent to look for oil in the much tougher "frontier" areas.

Gulf is piqued by Pickens' criticism of its exploration record. Whilst admitting its U.S. record on reserve replenishment has not been up to par, it says that Pickens "totally ignores" the fact that on an international basis it has replaced its petroleum liquid reserves in the five years to end-1982.

It also points to the experience of its majority-owned Canadian subsidiary which embarked on a "frontier" exploration strategy in 1978 and has struck it rich.

If Gulf Oil is to be a successful player to the "frontier" areas it desperately needs to retain *control* of the cash flow which Boone Pickens would like to spin off into a royalty trust.

Pickens, by contrast, believes Gulf is throwing good money after bad in its aggressive "frontier" exploration strategy.

On present form, Pickens believes that 50 years from now Gulf Oil will be a very small company which will have depleted its reserves and will be little more than a downstream operation.

The more serious of the oil analysts say Boone Pickens over-emphasises the J. S. Herold figures (which are based on some questionable assumptions as to oil price movements and do not take into account taxation) to support his case that the integrated oil majors are hopelessly undervalued in their present structure. His ideas have struck a sympathetic chord amongst many institutional investors.

Indeed, it is looking increasingly likely that Gulf will not be able to win the support of the 83 million shares it needs at its December 2 meeting to enable it to reincorporate in Delaware, which will in turn put it in a better position to fight off the Pickens' challenge.

If this is the case, then Gulf's management will really have to prove that it has changed its spots if it is to retain shareholder support against Boone Pickens.

THE ROYALTY TRUST OPTION

THE ISSUE before Gulf Oil's 300,000 shareholders at the special meeting on December 2 is whether or not the company should be allowed to reincorporate itself in Delaware. However, shareholders will really be voting on whether to back the 55-year-old Mr T. Boone Pickens, who firmly believes Gulf Oil shareholders would be better off if Gulf spun off a substantial portion of its U.S. oil and gas reserves in the form of a royalty trust.

A royalty trust is a collection of mature oil producing properties whose income flows directly to shareholders and thus avoids double taxation. Mesa has pioneered the concept in the U.S.

The big attraction of a royalty trust is that it eliminates the double taxation that occurs when an oil company's income is taxed first in the hands of the corporation and again in the hands of the shareholders when they receive dividends. In the case of a royalty trust, the income, or royalties, flow direct to the shareholders.

"Royalty trusts currently outstanding trade at an average of eight to 10 times cash flow compared with 2½ times cash flow in the case of Gulf Oil shares," says Pickens.

Pickens' arithmetic on Gulf is simple. Assuming it spins off 50 per cent of its U.S. domestic oil and gas reserves in the form of a royalty trust, this would give shareholders an income stream of $750m or $4.50 per share. Based on historic cash flow multiples for other royalty trusts, Gulf royalty trust units should trade around the $36 to $45 mark. The residual company would still have a cash flow of $2.25bn, or $13.60 per share, which on Gulf's historic cash flow multiple would result in a residual share price of around $34—giving a combined premium of around two-thirds to Gulf's current share price.

For its part, Gulf Oil says there is no "credible evidence that the creation of a royalty trust would enhance share value for Gulf's shareholders." It says Pickens' analysis and assumptions are "in some respects simply wrong and in others flawed or otherwise open to serious question." It also accuses him of glossing over the fact that the individual investor, who makes up the majority of Gulf shareholders, would face a significant tax burden if Gulf was to distribute a royalty trust.

Men & Matters

Angus tipped

Smart money among Unilever watchers is upon Michael Angus, aged 53, to become the next chairman of Unilever PLC. Angus is to become a member next May of the special three-man executive which runs the world's largest consumer products and foods group.

Angus gets his chance to join the informal—but effective—troika because of the retirement next year of Frans van den Hoven after nine years as chairman of Unilever NV, the Dutch part of the group.

Van Den Hoven's job is going to another Unilever high flier, Floris Maljers, aged 50, who was appointed to the special committee in May last year.

Since the Rotterdam-based chairman is always a member of the executive and is a vice-chairman of Unilever PLC, this leaves a vacancy on the executive which Angus will fill.

Angus will also become a vice-chairman of the comany.

As Unilever already has another vice-chairman in Frazer Sedcole it will be the first time for many years that Unilever has had three vice-chairmen.

Although Maljers is also in the running to take over from the present chairman Ken Durham—who at 59 probably has another couple of years in the top job judging by the usual retirement age of Unilever chairmen—Angus is the front-runner because of his success in pulling together the Lever Brothers operations in the U.S.

There is not likely to be a mad scramble for power in Unilever House, however. The group style (unlike some other multinationals) is for an orderly succession.

"I'd sit in a non-smoker but I can't stand their healthier than thou attitude"

Peace mission

When Mother Teresa, the 73-year-old head of Missions of Charity in India, went to the presidential palace, New Delhi yesterday, to receive an honorary award of the Order of Merit from the Queen it was not generally known that Mother Teresa is fresh from staging her own mini-coup against the Marxist government of west Bengal.

With hardly any publicity she has intervened in a strike at the Lereto Convent school in Calcutta—a place dear to her heart as she worked there when she first arrived in India from Rome.

Manual staff on strike at the school were assaulting teachers as they went to work. The authorities were failing to take preventative action.

Mother Teresa arrived on the scene, visited the school, and spoke to the chief government minister.

End of confrontation.

Eastern style

Comecon's fashion planners—yes—they do exist—are meeting in *East Berlin this week to* demonstrate what will be chic on the street in Murmansk and Havana in 1985 at the culmination of the current five-year plan.

Some of the state *fashion* houses from Russia, its East European allies and Cuba, have come up with attractive designs which are being shown off by East German models.

Putting them into production will be quite another story, however. Clothing plants in Comecon countries are terrified by new fashion trends and few of the styles being shown are likely to reach the shops.

The jeans episode is the classic example of state planning impingeing upon transient fashion.

After years of resistance from the authorities to that "western" style the commissars finally gave in and jeans outfits for men and women are being churned out all over eastern Europe. The trouble is that citizens have unpatriotically stopped buying them.

Rest easy Paris, London, Florence and New York.

Error in favour

Brokers Buckmaster and Moore seem to have it in for the Treasury.

They have just put out a circular complaining that once again the Treasury has made mistakes in forecasting revenue gains from possible changes in Excise duties. They put out similar statements highlighting Treasury mistakes last year after the autumn budget and again this year after the budget.

But the faceless ones in the Treasury can assuage their wounded feelings in the knowledge that Buckmaster and Moore have themselves made a mistake in their latest circular.

They say that the Treasury estimate that a one penny duty (plus VAT) increase on a packet of *king-size* cigarettes would produce £35m in a full year is based on an assumption that 3.5bn packets of cigarettes will be consumed.

"Current consumption levels *suggest that 50bn packets of* cigarettes are, in fact, being consumed . . ." say B and M and they go on to argue a case based on that figure.

Actually the current consumption of cigarettes in Britain annually is much more modest—around 5bn packets.

All of which goes to show that people in glass houses shouldn't smoke.

Account closed

I learned from Accountancy Age that Michael "Mad Mike" Hoare, aged 64, the soldier of fortune currently doing time in a South African jail after his unsuccessful invasion of the Seychelles has been dismissed from membership of the English Institute of Chartered Accountants.

While Hoare is probably best remembered for his African *mercenary activities in the mili*tary sphere he has long followed a second profession as a chartered accountant.

An institute spokesman comments that "his conduct must be regarded as bringing the profession into disrepute." Well, yes—after all he did plead *guilty to unlawfully seizing* an aeroplane on a scheduled flight together with two counts of jeopardising safety and good order.

Hoare was admitted to the institute in 1948.

Bird brains

Noteworthy appointments of the age: Buxted Poultry announces that David Gosling has just become its director of finance.

Perhaps they are planning to fatten him up for Christmas.

Observer

POLITICS TODAY: THE CIVIL SERVICE

Confessions of past errors

By Malcolm Rutherford

THE BBC's Reith lectures this year are being delivered in Civil Service language: quiet, understated, restrained, constrained and all the rest of it. There was a word "conspectus," which one had to look np in the dictionary to see whether it existed in English. Nevertheless, the lectures are electric.

They are being given by Sir Douglas Wass, until very recently the head of the Treasury, and it would be surprising if existing senior civil servants such as (say) Sir Robert Armstrong, the present Secretary to the Cabinet, had not been consulted on tha *drafting.*

Tha third lecture, broadcast on Wednesday this week, was possibly aberrant. It sounded like a concerted Civil Service attack on Sir John Hoskyns, a former head of Mrs Thatcher's policy unit at No. 10 Downing Street. Sir John has been campaigning, with a megaphone, for far more policy advisers to the government of the day to come from outside the traditional Civil Service. The Civil Service doesn't like it.

Still, the first two lectures were sharp enough and there are three more to come. An inescapable conclusion so far, which is also supported by other evidence, is that the top of the Civil Service is now deeply concerned about how it can provide better — and possibly more open — government. It is confessing past errors.

In particular, there is an *implicit acknowledgment that* the Civil Service was not able readily to adapt to a radical Prime Minister. When Mrs Thatcher came to power in 1979, she wanted to break with the postwar consensus or, in her own words, "stir things up."

The Civil Service was used to the consensus and, indeed, to some extent had itself created it. It did not want radical change, partly because it did not believe in it, and partly because it did not think that any Prima Minister would survive long enough to put it into effect. As Sir John Hoskyns has said, it had become defeatist. In that, the Civil Service has been proved wrong: Mrs Thatcher has at least survived for a second term.

But the Prime Minister had her own deficiencies. It was one thing to want to stir things up. *It was quite another to find* a machinery of government capable of putting the desired changes into effect, even if the nature *of the changes was clear* in the Prime Minister's own mind, which quite often it was not.

What seems to be happening now *is an attempt* at *synthesis.* The top of the Civil Service is seeking to become more responsive to what a radical government might want, and more efficient in carrying out *its wishes.* And the Government is still looking for a more effective machinery. There is a long way to go, but the prospects are not all that bad.

Take three obvious facts to start with:

- The Conservatives were returned at the general election with a large majority and should be in power for at least four years.
- The Conservative lead continues to hold up in the opinion polls, even if that—like the election victory—is partly a reflection of the divided opposition.
- A voice has gone missing whenever the Government presses its pet theme of privatisation. Not even the Labour Party now promises to renationalise every—or indeed any—state asset that the Government sells off to the private sector. That is a fundamental change: we may be out of the old cycle of nationalisation and denationalisation.

There are other facts which are less obvious. In delivering the Reith *lectures, Sir Douglas* Wass is certainly open to the charge that, if he is in favour of radical change now, why did he not do more to put it into effect when he was still at the Treasury? Yet it remains striking that he should admit that Britain's postwar performance has been "disappointing" in any way, and not only that many government decisions have been wrong, but also that there was no proper machinery through which to reach decisions in the first place.

For all tha characteristic understatement, some of what Sir Douglas is saying is still pretty strong. For instance: "Tha general thrust of the government's policies is seldom if ever reviewed and assessed by Cabinet." There have, he admits, been policy reassessments. But, he goes on: "They were not usually Cabinet reviews: and *none of them was a result of a* systematic study . . . An issue which comes to Cabinet is presented by the minister whose interests and reputation are involved, and he is bound to be partisan. Nn mechanism exists to enable the Cabinet to challenge *his* views unless the interests of another minister are involved, and even then *the challenge itself* may be partisan. Cabinet can be too easily railroaded."

Sir Douglas Wass

In another passage he suggests that decisions have often *been made on* the basis of *two* broad principles. The first is that "as things have been, so broadly shall they remain . . . the implicit assumption is that these plans are 'right,' in the sense that they were accepted in the past and that the only question is how rapidly or how slowly they should develop."

The second broad principle is: "He who has the muscle gets the money." Well illustrated in the diaries of former ministers, it means that you go into Cabinet to press the needs of *your own department and* almost nothing else.

Coming from Sir Douglas, that amounts to a fairly devastating indictment of the way government has been run over the years. We must wait for his final conclusions over the next three weeks. But already there have been soma modest proposals, most of them to do with the settling of public expenditure which, he says, is "arguably the most important function which Cabinets now engage in."

He is in favour of making the spending departments think what they would do if the money available to them were drastically cut: otherwise known as *the practice of "zero-based* budgeting," though Sir Douglas would like to see it only on a selective basis at first.

He also harks back to the practice of policy analysis and review (PAR for short) introduced under Mr Edward Heath's administration. Whitehall was supposed constantly to re-examine its programmes to discover whether they were working in the way intended. Sir Douglas notes that the concept failed, but gives e telling reason why: "Many departments chose *to offer relatively unimportant* programmes for analysis and kept their major policies out of the area of review."

More dramatically, he would like the resurrection of some kind of "think tank" or Central Policy Review Staff, which Mrs Thatcher abolished last summer. But it would be in a new form. It would not just serve the Prime Minister or be on tap for individual departments when called. Instead, it would be in touch with all departmental business. Therefore, "it would have to be closely involved in the annual public expenditure survey and it *should be represented at all the* bilateral meetings between the Treasury and the spending ministers, not least to ensure that the Cabinet had, in effect, a watching brief over any private deals that might be struck." (Shades there of some private deals in the past!) The new body would also suggest its own solutions to the "problems of choice."

The call, in short, is for some alternative means of policy appraisal to be built into the system, apart from what is *already available to the Government* and its conventional departments. Speaking of the demise of PAR, Sir Douglas said: "I believe . . . that a new generation of officials, and a firm commitment by ministers, could make it a success." In many ways that is the most revealing sentence in the lectures so far.

In other words, Sir Douglas is admitting that a whole generation of officials, a whole approach to government, is passing, and that the past might not be *the only model. Almost* no senior official would have said that in 1979.

So if the Civil Service, at least in retirement, is responding to change, how is the Government getting on? After all, it has been more notable to date for abolishing established structures — like the think tank — and for sniping at the Civil Service in general than for setting up anything new.

The best hope here seems to lie in Mr Nigel Lawson's rather incboate plans for a green *paper*—it need not *be called* that—on public expenditure and requirements until well into the 1990s. As Chancellor, Mr Lawson is still fairly reticent about the idea. The document might not be all that comprehensive.

Yet if the Government were to go ahead and produce a compendium of the best that has been thought, said and enumerated about the long-term prospects for growth, revenue and expenditure, as well as the political choices involved, it could set the background for the debate for some years to come. The document itself would be politically neutral, but it could become the textbook for discussion.

In one way, however, the Chancellor remains a conservative with a small "c". He is no great enthusiasm for tax reform.

That is a pity. For, given four years to play with, now is the time to launch an inquiry into the possible simplification of the tax system. As a recent book* on the politics of tax-policy *making points out,* there has been no such official inquiry since a Royal Commission was set up in 1951.

The result has been that governments have made up tax policy as they went along, sometimes for different reasons. For instance, almost every Finance Act since capital gains tax was introduced in 1965 has contained some amendment to it, yet it does not raise much revenue.

Some taxes have been adjusted for the purposes of seeking wider support for an incomes policy, others for short-term demand management and yet others for redistribution of income: in other words, social policy. The question of finding an efficient way of raising money to pay for public spending has mainly been secondary as Chancellors improvised where they could: a windfall tax on profits here and there, and so on.

Mr Lawson tends to think that he is a radical because he has acknowledged that the main purpose of tax is to provide public expenditure. If that is controlled and there is economic growth, taxes can be cut and any anomalies in the system will become less noticeable. In that, his radicalism is very conservative. A bold Chancellor would set up a tax commission as soon as possible. It might even be related to the green paper, which could itself be regularly updated.

* *Tax Policy-making in the UK.* Ann Robinson and Cedric Sandford. Heinemann Educational Books.

Lombard

Reaganomics and Mrs Thatcher

By Anatole Kaletsky

IT WAS a year ago this month that the U.S. economy began to pull out of recession into the "roaring" recovery which President Ronald Reagan had promised all along.

By accident as much as design, the policies followed by the Reagan Administration and the Federal Reserve Board in the past 18 months have been exactly what an old-fashioned high school economics textbook of the 1960s would have prescribed for an economy which had been "starved of oxygen."

Taxes were slashed, government deficits soared and short-term interest rates were cut almost in half, with scant regard for the impact on money supply growth, *in* the summer of 1982. Within six months the economy was duly roaring ahead. By the third quarter of this year gross national product had lifted *effortlessly above* its previous quarterly record, in 1981.

Compare this with Mrs Thatcher's performance since 1979. Although the British economy has been recovering feebly for two years, GNP this year will still be about 2 per cent below the 1979 level, despite an increase in the contribution from the North Sea *windfall estimated at between* 2.5 and 4 per cent of GNP. British fiscal policy during this period has been steadily deflationary, at least until this year.

There has been a cut in the underlying government deficit, adjusted for the effects of the economic cycle, of around 6 per cent of GNP between 1979 and 1982. However, the *fact* that an economic recovery of sorts began in Britain in 1982, after the biggest round of tax increases in 1981, is sometimes held to be a decisive refutation of the traditional Keynesian logic.

Before jumping to this conclusion it is worth looking at recent U.S. fiscal policy experience. The U.S. Government's deficit—adjusted for the economic cycle—contracted in 1979, expanded in 1980, contracted again in 1981 and then expanded strongly from July 1982 onwards. The economy responded with the precision of Keynesian clockwork—GNP fell in 1980, grew in 1981, fell again in 1982 and then began its present *powerful recovery in November* last year.

Of course monetary policy, too, was extremely supportive of tha U.S. recovery since the *summer* of 1982. *And* in 1981, the Fed's narrow monetary measure, M1, undershot its target by a small margin, helping to explain the economic downturn in 1982.

In Britain, however, the behaviour of the monetary aggregates in relation to their targets has been in no way consistent with the fluctuations of the economy or the abrupt reduction of inflation since 1980. Sterling M3 was on target in 1979, well above it in 1980 and 1981, and within its range again last year. Looking at other definitions of money in both the U.S. and the UK, the pictura becomes even more confusing. The main money measures which were not *specifically* targeted by central banks grew fairly steadily for much of the 1979-82 period, belying the roller coaster performances of both the U.S. and British economies and inflation rates.

These comparisons, simplistic though they may be, are suggestive. Fiscal policy does seem to have a powerful impact on real economic output, at least in the short-term. The effect is strongest in a relatively self - sufficient continental economy like the U.S., particularly when *selective import* controls such as those practised by the U.S. against Japanese car makers and European steel producers limit the leakage of domestic demand into production overseas.

The effects of fiscal expansion or tightening can certainly be offset by monetary policies, as they were in Britain in 1981, when big tax increases were accompanied by even more powerful cuts in interest rates and in the exchange rate. But even on this point, the teach*ings of traditional* pre-monetarist economists have much to commend them: It is the level of interest rates, rather than the rate of monetary growth, that primarily affects the economy. Serious Keynesians never claimed that "money does not matter" — interest rates matter very much, it is only monetary targets that do not.

Letters to the Editor

British civil air transport policy

From the Deputy Chairman, Caledonian Aviation Group.

Sir,—As an old hand in the air transport business, may I commend the article (November 21) by your Aerospace Correspondent on the projected transfar of British Airways from the public to the private sector and on tha need for a new strategic plan for British air transport as a whole.

There is, I am sure, common ground that everyone wishes to see British Airways succeed as a component of a strong, profitable and fully competitive *British air transport industry.* But—and this is the point—are the best results likely to be gainad by the continuation of a near-monopoly for British Airways in scheduled air services under private ownership?

Following the—in my view, unwise—merger of BEA and BOAC, British Airways became virtually that out-moded concept of a "single chosen instrument." As such it has the lion's share (of more than 80 per cent) of British overseas air routes.

Such a monolith translated into the private sector would not only dominate the scene but, a matter for concern, it would jeopardise the future of this vital national industry should, unfortunately, it once again fail.

The Edwards Committee of 1969 on "British Air Transport," had wise words to *say* on this subject—relevant also in a wider context. They wrote: "We conclude that a monolith structure for the UK airline industry, though not impractical, would create more problems than it would solve—and we recommend against it. Wa believe that it is valuable to have more than ona source of expertise, judgment and experience — including commercial innovation. No organisation should be made larger than it needs to be to *secure* the major economies of scale and specialisation and it is wise to create as many independent, *or* quasi-independent, groups as this will permit." In brief—a balanced industry structure.

In recent years all the very large international air carriers have returned poor results. They have all exhibited serious economic and management problems. Though they have been protected by bilateral agreements, they have been slow to respond to economic challenges.

By contrast, many medium-size international carriers (sizeable but smallar) have shown themselves to be both more nimble and more successful in weathering the storms of recession.

That is no coincidence end the lesson is clear. Efficiency, vigorous enterprise and effective competition is best achieved in modern conditions by airlines of adequate — but not monolithic — size; and for many cogent reasons.

Airline route patterns — the major factor in airline size — are wholly within the policy decisions of the governments concerned. Good management is an essential ingredient, but experience shows *how* much efficiency is stimulated by opportunities to compete within an adequate route network.

Against this background, British Caledonian's proposals for a better-balanced structure for the British air transport industry, so powerfully advocated by Sir Adam Thomson, would not remove from British Airways its position as the major (but not the dominant) British airline *better streamlined for* profits, while it would re-affirm a much-needed British airports policy in which British Airways would continue to be the major Heathrow airlina and British Caledonian the major carrier at Gatwick — both in powerful competition with foreign airlines and each other.

Such a solution would use the creation of "British Airways Plc" as the opportunity to establish fertile conditions for a sound, vigorous and profitable British air transport industry—an opportunity missed 14 years ago after the Edwards Report. That opportunity will not occur again quickly. Let us not miss the take-off slot which now *opens for a climb into a prosperous* future on the part nf BA, BCal and other scheduled British airlines.

(Sir) Peter G. Masefield.
Caledonian House, Crawley, West Sussex.

A union and the law

From the General Secretary, Post Office Engineering Union.

Sir,—In the article on November 23 concerning the effect of the new labour laws on industrial action, I must correct one fundamental error contained within it. The legality of the action undertaken by the Post Office Engineering Union against the inter-connection of Mercury to the British Telecom network has not, I repeat not, been settled.

The factual situation is that the Appeal Court granted a temporary injunction against the nnion requiring it to lift its blacking action against interconnection until such times as tha matter was determined at a full trial. The union decided not to appeal this decision to the House of Lords because it wishes for this full trial to take place at the earliest opportunity.

Therefore the impression given in your article that the interconnect issue had been resolved is quite contrary to tha facts. Tha POEU is determined *to go to full* trial and prove that its action in blacking interconnection is a genuine trade dispute under existing legislation.

Bryan Stanley.
150 Brunswick Road, W5.

Enterprise allowance

From the Director, Berkshire Enterprise Agency

Sir,—It is reported (November 19) that only 15,000 of the 25,000 places/allowances in the Manpower Services Commission's enterprise allowance scheme have been taken up. Your report also suggests that one easement is to be introduced, namely that a "£1,000 overdraft facility" will be acceptable as evidence of capital available to invest. This is a useful step forward because the present conditions for eligibility include "you must be able to show that you have at least £1,000 which you intend to invest in the business over the first 12 months."

This particular condition presents often insurmountable difficulties to two groups of potential entrepreneurs. The first group comprises those who as a result of unemployment have used up all their liquid resources. The other, to whom we would *in this letter* particularly draw attention, are those who have tools of their trade and/or capital equipment to use in their business, in value of at least £1,000. But the rules do not allow this resource be regarded as equivalent of money "to invest in the business."

In section 30 of the 1980 Finance Act income (and corporation) tax relief on pre-trading expenditure was granted if incurred by a business not more than one year prior to the commencement of trading (The 1982 Finance Act extended this to three years). Translating this approach to the enterprise allowance we would urge that equipment and tools purchased up to three years prior to application for an enterprise allowance (backed by receipts) be considered as satisfying the £1,000 rule. Of course objections to such proposal can be raised (they always are). But is this not a simple, viable proposition that can be implemented with immense and immediate benefit? The scheme is being reviewed at present. Is it not timely that this proposition be considered?

Ansel Z. Harris.
The Old Shire Hall, The Forbury, Reading, Berkshire.

Asking for money

From Mr K. Goodlad

Sir,—Perhaps Mr P. Saul (November 22) may have had less difficulty in raising the money for his French apart*ment if he* had *asked his* bank manager rather than telling him that he was going to lend him some money.

K. M. Goodlad,
"Keris," School Road, Wickham Bishops, Nr Witham, Essex.

Local authority proposals

From the Leader and Chairman of the Policy Committee, Association of County Councils

Sir,—I do not seek to use your columns for a further debate on the merits of the Government's proposals for rate capping or abolition of the Metropolitan Counties. I write only to correct an error of fact in Councillor Farrell's letter (November 22).

Opposition to the Government's present proposals on rate capping, far from being limited to a "hardcore of Conservative councillors" is widespread. No Conservative-controlled county council has supported the proposals contained in the Government's White Paper as they stand. The strength of the opposition can be measured by the vote taken at the recent meeting of the full executive council of the association of County Councils, which *supported the association's* response to the White Paper by 95 votes to 2, with 7 abstentions.

Lewis D. Moss.
66a, Eaton Square, SW1

FINANCIAL TIMES

Friday November 25 1983

Gilmore may drop dumping action

By Paul Cheeseright in Brussels

THE European Commission believes the anti-dumping case brought by Gilmore Steel in the U.S. against West German and Belgian hot-rolled carbon steel plates will soon be dropped altogether.

Gilmore's action aroused anger in Brussels, where it was feared that the sales restraint agreement for carbon steel products negotiated last year between the EEC and the U.S. would be jeopardised.

Strong representations were made to the U.S. Government but the case moved out of its preliminary phase because the International Trade Commission (ITC) in Washington found "reasonable indications" that the Belgian and West German products had harmed Gilmore.

Viscount Davignon, the EEC Commissioner for industry, observed in Dusseldorf this week that Gilmore Steel had dropped half its complaint, although he apparently gave no details.

It is now assumed in Brussels that the rest of the complaint will soon fall away. Feeling about the issue is more relaxed than a month ago.

The Commission appreciates, however, that until the complaint is formally dropped, the U.S. legal processes have to be carried through. The Department of Commerce is seeking to establish the fact of dumping and the ITC has to make a final determination on whether Gilmore has been injured.

If Gilmore's case is upheld preliminary anti-dumping duties could be imposed in January.

The Commission has consistently maintained that the Belgian and German producers have no case to answer. EEC carbon steel sales to the U.S. were 36.7 per cent lower in the first eight months of this year than in the corresponding period of 1982.

Swedish steel hopes dashed, Page 2

Olivetti re-sells French stake

Continued from Page 1

Benedetti group. This brings to 20 per cent the stake in Olivetti held by CIR, the industrial holding company controlled by Sig Carlo De Benedetti, chairman of Olivetti. It is the largest single shareholder in the company.

A consortium made up of Mediobanca, the Italian merchant banking group, IMI, the medium-term credit bank, and Crediop, another medium-term financial institution, bought 24m shares, or 7.9 per cent of Olivetti.

A total of 16m shares have been acquired by two unnamed U.S. investment funds, representing a further 5.3 per cent of Olivetti. The remaining 2.3 per cent (7m shares) of the former French stake has been placed with a variety of European institutional investors.

Olivetti said last night it was forming an Italian "controlling syndicate" which would represent around 100m shares in the group.

Andropov steps up pressure on West

Continued from Page 1

Although Bonn was clearly one of the main targets of the Soviet warning, Herr Kohl again defended the start of Western deployment as a counter-balance to the Soviet medium-range weapons. "A policy that accepts a monopoly for the Soviet Union in the medium-range area and accepts the associated military superiority cannot be tolerated let alone approved through inaction."

Reuter reports: President Ronald Reagan said he was dismayed by Mr Andropov's announcement

He said, however, that the U.S. remained ready to resume the talks on medium-range missiles and was determined to renew efforts to do away entirely with the land-based weapons system.

Lawson tries to quell tax increase fears

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

MR NIGEL LAWSON, Britain's Chancellor of the Exchequer, yesterday reacted to the Confederation of British Industry's criticism of his autumn economic statement by expressing confidence that on present policies, the level of taxation would be reduced during the lifetime of the current parliament.

He argued that this was one on the British Government's main objectives, whatever decisions had to be taken next spring.

Mr Lawson was opening yesterday's House of Commons debate of last week's statement when he had warned that on current projections taxes might have to rise by £500m ($734m) next spring if public sector borrowing was to be held down to the present target of £8bn in 1984-1985. The CBI, the employer's organisation, has warned that any tax increase could kill off the recovery. Mr Lawson yesterday noticeably tried to dampen worries about tax increases. He conceded that "the overall fiscal prospects have slightly deteriorated since the last budget."

He pointed out that the figures at this stage "are subject to a wide margin of uncertainty and rest on a number of conventional assumptions. The autumn statement is not the time for decisions on appropriate levels of borrowing or taxation. By the time of the budget we shall have much more, and more up-to-date information." He then stressed the hope of reducing taxation during this parliament, which must end by 1988 at the latest.

In his speech, he confirmed that the latest expenditure decisions would mean that spending in real terms would be broadly constant over the next three years.

He added that if the economy grew steadily, there would be scope for real cuts in the level of taxation. Pressed about a debate on long-term public spending trends, Mr Lawson said it was very desirable to maintain the momentum of public discussion and he wanted to publish some form of documents for the public expenditure prospects.

Mr Lawson also defended the Treasury's forecast of a 3 per cent growth in output next year in the face of the more pessimistic view taken yesterday by the National Institute of Economic and Social Research. This suggested that the economy might expand by 2 per cent next year. Mr Lawson said that the Institute – "bless its heart" – had a poor forecasting track record and was always "the bearer of gloom and doom."

Scepticism about the Treasury forecasts was expressed during the debate by Sir Ian Gilmour, a former Conservative minister and a persistent critic of the current strategy. He was doubtful about the expected contribution to recovery from the growth in exports. Looking back at the recovery in output over the last two years, he said it largely reflected the big increase in public spending and lower taxation.

In his speech, Mr Lawson sought to answer conservative backbenchers who have been pressing for more capital investment by the public sector. He said the present definitions were calculated after deducting sales of assets and ignored nationalised industries. They treated virtually all defence spending as current even when it was on capital items, like buildings and ships.

Mr Lawson said that if nationalised industries were taken into account, and special sales of assets and council houses were added on public sector capital investment had risen in cash terms from £12bn 1978–1979 to nearly £20bn in 1982–1983.

GM heads for £53m deficit in UK after trucks setback

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT, IN LONDON

GENERAL Motors is heading for a net loss in Britain this year of about £53m ($77.38m) compared with a loss of £38.7m in 1982.

In a confidential report to senior management and trade union officials, GM says that nearly all the loss will be attributable to the Bedford trucks business.

But the Vauxhall car operations are also expected to suffer a small loss in spite of achieving record new car sales this year.

The Bedford and Vauxhall businesses were separated into two companies on January 1 this year. The record combined loss was £83.3m in 1980.

Mr J. T. Battenburg III, Bedford's general manager, says in the report that the company's manning levels would have to be looked at but a spokesman yesterday insisted that Bedford had no plans to reduce the workforce any further.

Bedford currently employs 8,475 (including 5,884 hourly-paid) and the workforce has recently been slimmed by switching employees to the Vauxhall car operations. Vauxhall's workforce totals 11,580, including 8,700 hourly-paid.

To reduce some costs Bedford is to stop regular production of some truck models and in future they will be available to special order only.

Mr Battenburg pointed out that GM was committed to continue its financial support for Bedford. Earlier this year GM said it would spend an immediate £50m rising to £70m by the end of three years to revamp the Bedford van lines at Luton.

A new one-tonne van, based on the Isuzu WFR model (GM has a 36 per cent shareholding in Isuzu of Japan) will come on stream late in 1984. Vauxhall has assured the Department of Trade and Industry that the EEC content of the van will be pushed to 80 per cent within three years.

In all, GM has said it will spend around £130m on its UK businesses by mid-1986, mainly financed by loans to Vauxhall and Bedford from the parent group.

Mr John Fleming, Vauxhall chairman, says in the report that the company will make a small loss this year. He indicated last month that the three-day pay strike in September might have cost Vauxhall its first profit since 1978

Mr Fleming says Vauxhall's car sales are expected this year to reach a record of over 262,000 (against 181,737 in 1982).

This would give the company a market share of around 15 per cent (11.7 last year). He forecasts sales volume of more than 300,000 cars in 1984 so that Vauxhall would reach a 16 per cent market share a year earlier than previously expected.

Chrysler may seek Mitsubishi link, Page 21

System X wins major order from UK city

BY GUY DE JONQUIERES IN LONDON

PLESSEY and GEC have won an order against strong international competition to supply System X, their advanced digital exchange, to the Hull Telephone Department, which runs the only independent local telephone service in the UK.

This is the first important contract that System X has captured against non-UK bidders and could help its sales prospects elsewhere. The state-owned British Telecom (BT), which has invested more than £300m ($450m) in developing System X, has been its only large customer until now.

The initial order from Hull is for three exchanges worth more than £5m ($7.3m), the first of which is due to enter service next year. It plans orders worth about another £15m for further System X exchanges to be installed before the end of the decade.

Plessey and GEC, tendering jointly, are believed to have submitted the lowest bid. The final choice was between them and Thorn-Ericsson, which offered the highly successful AXE exchange developed by L. M. Ericsson of Sweden.

The other biddera were AT&T and Philips, the joint venture formed recently by American Telephone and Telegraph and Philips of the Netherlands; CIT-Alcatel of France; Canada's Northern Telecom; and Britain's Standard Telephones and Cables, which offered a modified version of System 12 developed by ITT of the U.S.

Hull Telephone Department, part of Hull City Council in north east England, plans to use System X to replace all its 14 local exchanges. It serves more than 100,000 subscribers in a 120 sq mile area on the north bank of the Humber.

The department was the only local telephone business to resist successfully a takeover by the Post Office early this century. It is fiercely proud of its independence and emphasized yesterday that its decision to order System X was based solely on business criteria.

Hull had previously considered buying System X from Standard Telephones and Cables, but was forced to change its plans when the company withdrew from the System X programme last year.

The contract was opened to international competition to comply with the rules of the European Investment Bank, which is helping to finance the modernisation

So far, the sole overseas order for System X, worth about £2m has been placed by Cable and Wireless for a single 5,700-line exchange to be installed on the Caribbean island of St Vincent. A major effort was made to win business in India, but despite British Government offers of bilateral aid, the contracts went to France's CIT Alcatel.

Brazilian sugar group files for protection

By Andrew Whitley in Rio de Janeiro

THE COSTA PINTO group, a major sugar trader and Brazil's leading private exporter last year, has filed court protection against bankruptcy, on behalf of three of its companies, including the holding company, Costa Pinto de Comercio e Industria.

This decision follows a three-year dispute between the Costa Pinto group and the state-run Instituto do Açucar e do Alcool (IAA), the sugar and fuel alcohol industry's supervisory body, over an unfulfilled contract to sell sugar to the Soviet Union.

In February the IAA suspended sugar supplies to the group's Cayman Islands subsidiary, Costa Pinto International, forcing the Brazilian company to renegotiate agreed sales contracts.

Then last week Banco Comind, a leading São Paulo bank, took court action in New York, against Costa Pinto International, Comind asked for the company's U.S. assets to be frozen, as security against an unpaid $10m debt.

Pressure mounted further against the group on Tuesday when Lloyds Bank International – in an unrelated action – objected to a $5m bill guaranteed by the parent company in Brazil.

In a formal statement Costa Pinto said its standing at home and abroad had been damaged

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	17	63	Dubrovnik	S	14	57	Malaga	S	19	66	Salzburg	S	-3	27
Akrotiri	S	20	68	Faro	F	18	64	Malta	C	18	64	Seoul	F	8	46
Algiers	F	20	68	Florence	F	12	54	Manila	S	32	90	Singapore	C	30	86
Amsterdam	S	0	32	Frankfurt	F	-2	28	Miami	S	25	77	Stockholm	F	1	34
Athens	C	12	54	Funchal	F	22	72	Milan	S	5	41	Strasbourg	C	0	32
Bahrain	S	26	79	Geneva	C	5	41	Moscow	F	-12	10	Sydney	S	24	75
Bangkok	S	28	82	Gibraltar	F	19	66	Munich	C	-3	27	Taipei	S	23	73
Barcelona	S	17	63	Guernsey	C	11	52	Nairobi	—	—	—	Tangier	S	20	68
Beirut	S	22	72	Helsinki	Sn	-3	27	Naples	C	14	57	Tehran	—	—	—
Belgrade	S	4	39	H. Kong	S	23	73	New Delhi	S	27	81	Tel Aviv	F	22	72
Berlin	S	5	41	Innsbruck	S	3	37	New York	C	11	52	Tenerife	F	23	73
Biarritz	C	19	66	Inverness	C	6	43	Nice	F	14	57	Tokyo	F	18	64
Blackpool	S	3	37	Istanbul	S	9	48	Oporto	C	17	63	Toronto	C	9	48
Bordeaux	F	16	61	Jersey	C	8	46	Oslo	F	0	32	Tunis	S	19	66
Brussels	S	3	37	Jo'burg	R	28	82	Paris	C	3	37	Valencia	S	20	68
Budapest	S	3	37	Las Palmas	F	22	72	Prague	—	—	—	Venice	—	—	—
B. Aires	S	29	84	Lima	S	23	73	Reykjavik	Sl	2	36	Vienna	S	3	37
Cairo	S	27	81	Lisbon	C	19	66	Rio de J'o	S	28	82	Warsaw	S	1	34
Cape Town	S	19	66	Locarno	S	5	41	Rome	S	14	57	Zurich	C	0	32
Caracas	C	29	84	London	R	6	43								
Casablanca	S	20	68	Los Angeles	C	13	55								
Copenhagen	F	4	39	Luxembourg	C	-3	27								
Corfu	S	18	64	Madrid	S	14	57								
Dublin	C	9	48	Majorca	F	18	64								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Argentine loan plea

Continued from Page 1

ment of its $1.5bn loan agreed earlier this year "continues to merit support," the telex said.

Such a drawing can go ahead only if all creditor banks agree. Some bankers were worried yesterday that time may now be too short for the drawing to be made on November 30.

If so, it would have to be postponed for a third time, though there was still "an outside chance of it going through," one banker in Europe said yesterday.

Sr Grinspun hinted that the new radical Government which takes office on December 10 would aim for a major new rescheduling package. Formal negotiations with the International Monetary Fund would start "within days" of it being sworn in.

Sr Grinspun said, however, that he would not interfere with the signing of rescheduling agreements worked out by the outgoing administration. "This is the total responsibility of the military Government," he said.

New estimates suggest that Argentina faces repayment of principal totalling $14bn on its $40bn foreign debt next year. Interest payments will come to $5bn, said Sr Grinspun.

IBH head quits as survival bid fails

By John Davies in Frankfurt

HERR Horst-Dieter Esch yesterday announced his resignation as head of the struggling IBH construction equipment concern, conceding defeat in his efforts to keep most of the group together under a restructuring plan.

He said he understood there was no hope for his plan after discussions between West German bank creditors and IBH shareholders in the last few days.

He indicated that the only possibility now was a break-up of IBH – to find solutions to its difficulties at a national or company level.

Herr Esch wanted the support of shareholders and creditors to maintain a core operation of IBH's U.S., UK and West German units, but to hive off its French and Brazilian subsidiaries.

He proposed this restructuring as part of a court-supervised settlement with creditors. He also wanted creditors to write off 60 per cent of the group's debt.

IBH turned to the courts, declaring itself insolvent, in the wake of the West German banking system's intervention to rescue the private bank Schröder, Münchmeyer, Hengst (SMH).

SMH floundered largely because of major lending to IBH and associated companies and is now being run, in effect, by representatives of the entire West German banking system.

IBH was founded by Herr Esch eight years ago and has been built up into one of the world's largest construction equipment groups through a series of takeovers.

Herr Esch, has a personal stake of just under 9 per cent in IBH. Other major shareholders include General Motors of the U.S. and the Dallah Establishment of Saudi Arabia (both with just under 20 per cent). Powell Duffryn of the UK (13.2 per cent), Babcock International of the UK (10.1 per cent) and the SMH bank (7.5 per cent).

Herr Esch said at a press conference in Frankfurt that his plans would have involved salvaging a nucleus with world sales of DM 1.45bn ($540m) a year and capital of DM 250m.

He had proposed that the capital be supplied by the existing shareholders, including SMH, General Motors, the Saudi Arabians "and some others."

The group would have consisted of a slimmer Terex in the U.S., the Terex unit in Scotland incorporating Hymac's operations, and Hanomag, Hamm, Duomat and a slimmer Zettelmeyer in West Germany.

Such a group would have required no more credit than IBH formerly had, he said. Herr Esch said that SMH had risk exposure at IBH of between DM 900m and DM 1bn. If IBH were "smashed," the bank would lose between DM 600m and DM 700m, but under his plan it would have lost only about DM 300m, he said.

He refused to be drawn on the source of opposition to his plans, and said matters had not reached the point of an explicit "No."

"I don't want to point the finger at any bank or shareholder and say who is to blame," he said.

But he was convinced his plan had no chance and he had decided to step aside in the hope that this would speed up rescue operations.

Herr Esch said that IBH and he himself had made some mistakes, but none of these mistakes accounted for the group's present difficulties.

The main reason was that in the past eight years IBH had never succeeded in winning the support of the big West German banks, even though it had considerable shareholder capital and the support of banks in the U.S., France and the UK.

He said that IBH's bank debt was DM 550m, which was not excessive for a group of its size. Worldwide, its total debts to banks and suppliers and other liabilities totalled between DM 1.2bn and DM 1.3bn.

Herr Esch said that IBH made a loss of DM 112m last year, after taking account of General Motors' agreement to waive a claim of DM 100m. This year the loss would fall to about DM 60-70m, taking account of a DM 130m waiver by GM.

He said he did not believe that GM was against his plans of the group's restructuring because it wanted to sell the Terex site in the U.S.

He believed GM would try to find a solution for Terex – which it formerly owned – but he did not believe it would become involved in construction equipment again.

Dr Wolfgang Petereit, the court-appointed administrator, said he knew of at least three companies interested in taking over some or all of IBH's West German operations. Two are European companies and the other is from the Far East.

Meanwhile, Hanomag – IBH's Hanover-based subsidiary – has received government aid to continue production

THE LEX COLUMN

New prescription for Boots

Boots has returned to fashion with a vengeance in the last six months, a performance which owes almost as much to the company's new-found propensity for doing deals as to better trading. The results are certainly good, however, with pre-tax profits up by a quarter to £85.1m for the six months to September.

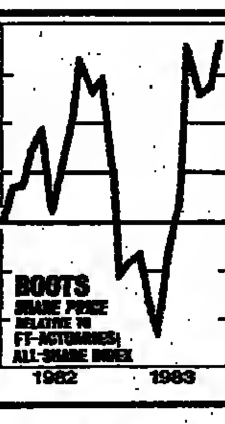
The industrial division seems to have more muscle behind it than the stores. In particular, the conversion of ibuprofen from a prescription drug to an over-the-counter analgesic is running well to timetable in the UK – where £1.4m has already been sunk in establishing the "Nurofen" brand name.

While FDA approval for over-the-counter marketing has still to come in the U.S., prescription sales of the drug are still careering ahead to the point where they account for about one eighth of Boots' total pharmaceutical turnover.

Although the next pharmaceutical innovation, a cardiac compound, is still some way down the pipeline, there should be few obstacles to Boots in keeping up the rate of progress in its industrial side, which already makes a long half of total profits.

Despite the evidence that more effective use is being made of the property portfolio and that work is being done to improve the mix of goods and productivity, retailing may not be such a rewarding project.

With a prospective multiple of about 14 times and a yield of about 4½ per cent, the shares may have a bit further to go. But the group has none too long to establish a reinvigorated retailing formula. If it cannot, perhaps the retailing ballast should eventually be cut loose in a demerger.



Burnett

After the havoc wreaked by his last visit less than a month ago, Burnett & Hallamshire's new chairman was received in the City yesterday with all the enthusiasm accorded an unexploded bomb.

There were no major surprises and the group has at least maintained its dividend. But further details about the short-term outlook in the U.S. and the size of the problem in South Africa – not to mention the basis of last year's profits – helped to push profit forecasts lower still and knocked the share price down another 7p to 169p.

In the latest six months B&H has doubled the number of investments in its Californian property portfolio, which has now cost a total of $15m and carries contingent liabilities of $25m.

It is clear substantial development profits are expected on this, but they will not come this year and B&H meanwhile is just as clearly undecided about the whole idea of further investment in the sector.

Uncertainty also hangs over the future of B & H's non-consolidated South African subsidiaries, currently valued in the books at £19m.

With its new U.S. coal operations losing money, the group's core businesses look hardly more predictable than the property. But pre-tax profits of £13m ought to be achievable this year, which on a stated tax basis would leave the shares trading on a multiple of 7.6. The dividend yield is now up to 7.6 per cent.

Redland

The sequence of international recovery in the construction industry can be pinpointed with uncanny accuracy in Redland's results. In the UK the turning point occurred in September 1982. The U.S. and West Germany followed in the second quarter of this year and Australia's low point was registered a matter of weeks ago.

Even for a company like Redland, which has held on to its earnings through the recession, the return of volume growth has had a powerful geared effect on pre-tax profits, up 39 per cent in the half-year to September, at £40.5m.

In the UK tile volume has moved up 20 per cent and is the main motor behind an underlying rise in domestic trading profits of 29 per cent, stripping out property sales. Profits growth in aggregates has slowed, but should pick up against next year on the basis of recently-won contracts.

Tile volume, however, may be stagnant next year, but cost savings associated with new plant should keep profits moving ahead here.

Profits abroad have been boosted by a better-than-expected performance from the Texan aggregates acquisition, which has already enhanced earnings per share. Profits from existing foreign subsidiaries, meanwhile, have jumped by 88 per cent or so, with tile volume at Braas in West Germany up by a tenth.

Redland – always a strong convert to CCA accounting – has a double motive this year for prominently displaying the figures, which show a 47 per cent improvement at the pre-tax level.

The improvement is backed up by the further cash inflow projected this year – of £25m after paying tax and a dividend back at 1979–80 levels in real terms. This year £90m is on the cards, against £66.3m.

The shares, up 8p yesterday at 270p, produce a prospective p/e on a 40 per cent tax charge of 10½.

Tricentrol

Tricentrol, it seems, can do nothing right in the eyes of the market. A month ago, the group announced a sensible deal in the North Sea and then ruined the effect by financing it with yet more equity. The market was no more impressed by yesterday's third-quarter statement which showed net income rising by a fifth to £7.3m. The shares responded with a 10p drop to 188p.

The most charitable explanation of the price movement is that respectable figures have made the threat of a bid more remote. Yesterday's statement did, after all, provide encouraging evidence that the UK Government's budget changes have reduced Tricentrol's PRT payments to the basic minimum – even if there will be some corresponding rise in the corporation tax to perhaps £8m annually.

More likely, however, the market was expressing further frustration with Tricentrol's failure to produce any substitute for Thistle field cash flow, which is now on the wane. Undeterred, the group continues to spend heavily and, on present budgets, borrowings could well equal shareholders' funds by 1986. If anything, the North Sea tax carrot is tempting Tricontrol to spend more heavily there without producing much obvious determination to cut back elsewhere.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Friday November 25 1983

Canadian recovery begins to lose momentum

BY NICHOLAS HIRST IN TORONTO

CANADA'S profits recovery, fuelled by falling interest rates, improved balance sheets and higher consumer spending, slipped back into e lower gear in the third quarter as the pace of economic growth slackened.

Companies notched up aggregate after-tax gains of 80 per cent or more over the trough of the business cycle which occurred during the corresponding period last year, analysts' surveys show.

But growth between successive quarters has slowed sharply. With the majority of companies having reported, Wood Gundy, the Toronto stockbroker, estimates the profits pick-up over the second quarter at only 2 per cent.

"The big rise is already behind us," said Dr John Grant, Wood Gundy's chief economist.

The pace of economic recovery has slackened. During the first half of 1983, gross national product (GNP) grew at an annual rate of close to 7½ per cent, but is expected to slip back to 5½ per cent in the second half and to 4½–5 per cent in the first six months of next year, slowing further in the second half of 1984 to a more sustainable 3½ per cent.

Profits recovery is still expected to be significant. Analysts have trimmed their best estimates, both for 1983 and 1984, but the outcome should be gains of 50 per cent and more for this year and 25 per cent and above for the following year.

Profits at the moment, however, account for only 8 per cent of GNP, and it could take until early 1985 before they return to the historical average of slightly more than 11 per cent.

By the end of the third quarter, companies had gone to the market for more than C$5bn (U.S.$4bn) of equity, passing the previous annual high of C$3.1bn in 1981. But corporate debt remains historically high and the need to repair liquidity ratios will continue to be a depressing factor on capital spending through 1984.

For the important resources sector, however, it will not be corporate spending at home which will increase its profits but a continued recovery in the U.S. and, for the metals and mining sector in particular, a pick up in Europe and Japan.

It is the poor performance of the metals sector, and to a lesser extent the pulp and paper industry, which have led analysts to trim back their earlier higher aggregate profit projections.

Having improved from their worst levels of a year ago, metals prices have either stopped advancing or have stuck at prices below profitable production. "We had e rebound and came back to square one in most metals, which is unusual," said Mr Paul Roberts, mining analyst with Toronto stockbroker, Merrill Lynch Canada.

Within that general picture there are exceptions. Aluminium, buoyed by a rise in consumer demand, has risen to 76 cents a pound from 46 ceots a year ago. Alcan, the Montreal-based producer, reported third-quarter profits of U.S.$27m, a turnround of U.S.$42m from the corresponding quarter.

Nickel is past its worst, but has come back from its best levels to around U.S.$2.15 a pound, leaving Inco and Falconbridge, the two large Canadian producers, still making losses.

Inco, which has gone to the market three times for new money, has reduced losses at the pre-tax level quarter by quarter this year, but income tax relating to earlier years pushed third-quarter net losses to U.S.$72.1m compared with U.S.$66.4m in the corresponding period.

Noranda, affected by depressed copper prices, zinc, which is off the bottom, and forest products, also failed to make profits in the third quarter, with a loss of C$7.3m, but that compared with a loss of C$50.6m. The metals and mining sector as a whole is in loss and looks unlikely to turn round until the second quarter of 1984.

An upturn in U.S. housing starts pushed Domtar Weldwood back into profit, but the big newsprint producers, Abitibi-Price and Consolidated-Bathurst, are still operating well below capacity and reported lower third-quarter profits. Abitibi was down 12 per cent on the corresponding period at C$7.1m and Consolidated-Bathurst 20 per cent lower at C$7.5m.

The oil and gas sector has rebounded from its low point on increased oil production in the west, and improved refining and marketing margins, although gas sales remain depressed.

The industry has mothballed some 20 per cent of its refining capacity in 1983, and capital spending has been sharply curtailed.

The fall in interest rates is most noticeable in the results of the trust companies, whose main business is fixed term mortgage lending.

Industrials and consumer products groups benefited from falling interest rates, better consumer demand and improved cost control. Massey-Ferguson, having completed its second financial restructuring, sharply reduced third-quarter losses to U.S.$11m from U.S.$87m a year before.

Rising automobile sales and a shift to the larger Canadian-produced cars pushed Ford Canada's third-quarter profits up to C$40.1m from C$800,000. Stelco, Canada's largest steel producer, remained in loss at C$4.7m, but Dofasco, whose products are more consumer orientated, made a C$35.4m profit.

Consumer spending has risen and the savings ratio has fallen from 15.1 per cent in 1982 to 10.4 per cent in the second quarter. Economists expect the ratio to fall again, but only slightly. Interest rates are not expected to drop sufficiently to give a further sharp boost to profits.

Loss elimination and further recovery in the resources sector will push aggregate earniogs higher next year, providing the world economy continues to improve and metals prices start to move upwards once more.

Economists are expecting a further rise in consumer spending based on an increase in disposable income flowing from greater employment.

On the cost side, stocks are beginning to rise again in response to consumer demend, but average hourly earnings have not increased for the past five months, and wage costs are expected to be only 4 per cent up next year, slightly below the predicted rate of inflation. Capacity utilisation has still some way to go (it remains below 70 per cent) to reach average historical levels, and margins should improve.

At the moment, Canadian companies are partially recovered, but real growth is still to come.

Chrysler considers link with Mitsubishi

By Terry Dodsworth in New York

CHRYSLER has indicated that it is considering several manufacturing alternatives, including a link with Mitsubishi, to cope with the new competition which will emerge if General Motors is given the go-ahead for a joint venture with Toyota of Japan.

According to reports in Detroit, Chrysler is considering four different possible deals with Mitsubishi, one of which would be to produce 240,000 Japanese designed sub-compact cars a year in the U.S. Mitsubishi currently makes the Dodge Colt model in Japan for the U.S. company, and it is thought that one plan being considered is to transfer this production to the U.S.

Chrysler appears deliberately to have leaked news of its talks to put maximum pressure on the Federal Trade Commission which is now examining the GM-Toyota joint venture. Under this manufacturing project, GM is planning to open a plant in California to make small cars designed by the Japanese company, thus bringing together the two largest motor groups in their respective markets.

Both Chrysler and Ford have warned that this project would have a disastrous impact on their own ability to compete, while destroying the entire U.S. industry in the small car market.

GM has responded that collaboration will help it to develop its own resources in small cars. Chrysler, however, has consistently rejected this argument, and its latest comments on its talks with Mitsubishi follow similar discussions with Volkswagen and seem designed to bring home to the U.S. administration the fear that the U.S. could lose out completely in this market.

Pfaff profits and sales up

By Our Financial Staff

PFAFF, the West German sewing machine manufacturer, has increased sales and profits in the first nine months of this year.

The company, based in Kaiserslautern, has lifted sales by 10 per cent to DM 574m ($212m), with more than two-thirds of revenue coming from abroad.

Industrial and household sewing machines each gained 10 per cent more revenue – industrial equipment sales reaching DM 381m and household machines DM 193m.

Pfaff gave no profit figures, but said results were better than in the same period last year, even though some foreign business was hit by exchange rate problems.

BBL lifts earnings and payout in year

By Paul Cheeseright in Brussels

BANQUE Bruxelles Lambert (BBL), the second largest Belgian bank, is paying out 21.3 per cent mnre in dividends for its financial year just ended on the back of a 17.6 per cent increase in net profits to BFr 1.67bn ($30.4m).

The high level of dividend payments arises from an increase in the bank's equity capital during the year to September and the fact that withholding tax on dividends is being raised next year from 20 to 25 per cent.

BBL is in effect absorbing this increase to permit holders of the old shares to receive a net dividend of BFr 90 compared with an adjusted BFr 84.4 for 1981-82.

Holders of new shares, benefiting from tax concessions offered by the Government to encourage capital raising, will pay tax at the former rate of 20 per cent and will receive dividends for the second half. This has been set at BFr 48 net.

Total cost to BBL of this level of dividend payments is BFr 741.5m, or 21.3 per cent more than was paid nut for the 1981-82 year.

In 1982-83, BBL further strengthened its position. Profits have recovered steadily since 1979-80 when the dividend was passed and the way opened up for a takeover of Groupe Bruxelles Lambert, then the holder of 45.8 per cent of BBL.

This stake has been wound down to 9 per cent. BBL's equity base has been strengthened by a share issue. That and the addition of subordinated loans has taken the bank's capital, reserves and subordinated loans to BFr 26.56 against BFr 19.72bo

Consolidated profits before tax and depreciation to the year to last September were BFr 7.36bn, or 23.7 per cent higher

But the figures are oot strictly comparable.

Superior moves to block bid threat

BY OUR FINANCIAL STAFF

SUPERIOR OIL, the big U.S. independent oil company, has moved to defend itself against a possible takeover by declaring a dividend of new convertible preferred stock.

The move, along with the hiring of Morgan Stanley as the company's investment adviser, follows this week's revelation by Mr Howard Keck, the biggest shareholder, that he was looking for buyers for his 11.4 per cent stake, worth more than $500m, and the stock be controls through trusts.

Mr Keck said in a filing with the securities and exchange commission that the value of his shares may be increased if the sale was accomplished as part of an overall takeover.

Now Superior's board has declared a stock dividend equivalent to ⅟₁₄ of a share of new convertible preferred stock for each common share held. It was designed to ensure that shareholders "receive fair treatment in the event of a takeover of Superior."

The company said it continued to believe that the "long-term interest of the Superior shareholders will be best served by Superior remaining an independent company."

Dutch paper group recovers

BY WALTER ELLIS IN AMSTERDAM

BÜHRMANN-TETTERODE, the Dutch paper and printing machinery group, has continued its recovery this year with third quarter earnings of just under Fl 2.2m ($728,000) on sales of Fl 654m.

Over the first nine months of the year, net profit at Fl 8.6m was 66 per cent up on the same period of 1982 while sales were 2.8 per cent ahead at Fl 2bn.

At the same time, the gross operating result for the nine months was oearly 8 per cent down, at Fl 76m. Only a 26 per cent drop in interest repaymeots permitted the pre-tax result to rise by 85 per cent to Fl 25m.

Poclain seeks new credits

By David Marsh in Paris

POCLAIN, the troubled French excavator manufacturer which has already this year been the object of a major financial rescue package, has started talks with the French Government and banks to try to agree fresh credits.

Poclain is thought to be seeking several hundred million francs of oew money to back the company's new strategy of continuing workforce cuts and investing in key product areas.

After reducing its staff by around 1,200 over the past two years to roughly 6,000, Poclain is planning a further 600 job cuts

This year's rescue plan, involving a total of FFr 680m ($82.9m) in capital injections from banks and shareholders, including a capital increase, fresh credits and debt restructuring, was agreed on the basis of Poclain returning to break even by the end of the year.

In fact, faced with a further slump in excavator demand and increased competition from Japanese manufacturers, Poclain will probably lose at least FFr 160m to FFr 180m after a loss of FFr 283m

Asea profits jump by 92%

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

ASEA, the Swedish electrical engineering and electronics group, nearly doubled its profits in the first nine months of the year, helped by a far-reaching restructuring of its operations

Profits before tax, allocations and extranrdinary items, jumped by 92.3 per cent to SKr 1.35bn ($170m) compared with SKr 701m in the corresponding period last year.

Group profitability has beeo helped in particular by the strong performance of the power transmission and transport equipment divisions and earnings from power generation equipment have also improved sharply

Sales rose by 17 per cent in the first nine months of the year to SKr 26.7bo from SKr 17.7bn a year earlier, and the company had an order book worth SKr 31.8bn at the end of September.

In an interim report to shareholders, Asea said yesterday that new orders rose by 11.1 per cent in the first nine months to SKr 20.2bn.

New orders from Westero Europe rose by 30 per cent and orders from the U.S. jumped by 50 per cent.

For the first nine months, Asea increased its earnings per share to SKr 17.30 from SKr 8.40 a year earlier.

FRENCH GROUP RULES OUT SALES OF NEW MODEL TO NORTH AMERICA

Renault gets R25 into gear

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT, IN LONDON

Renault 25 – due for launch in Europe next March

RENAULT has finally decided not to sell its new top-of-the-range car, the R25, in North America.

Tha state-owned French group, which gives the first official details of the R25 today, has spent well over FFr 1bn ($124m) on the newcomer which replaces the R20 and R30 models and gives the group much more competitive power in its battle with other volume manufacturers' up-market cars.

Renault believes the R25 will take sales from cars such as Ford's Granada, General Motors' Opel Senator, the Peugeot 604, the Citroen CX, the Audi 100 and BL's Rover saloons.

Realistically, Renault does not believe it can capture many sales from the specialist groups, such as Mercedes or BMW. It comforts itself, however, with the results of its survey, showing that in most of the major European markets customers are shifting significantly away from "status symbol" models.

R25 production will begin at Renault's Sandouville plant near Le Havre, next month. The car will be launched next March in France, West Germany and the Benelux countries. Britain gets the car in June.

The output target is around 600 R25s a day, roughly 200,000 a year, compared with the peak of 400 a day reached in combined production of R20 and R30 models in the mid-1970s.

Recently, output of R20s and R30s has been well below that level and the last models to be produced came off the line two weeks ago.

Renault has been under considerable pressure from its U.S. associate, American Motors (AMC), in which it has a 46 per cent shareholding, to provide a bigger car to follow the successful launches of the R9 and R11 models, sold in North America as the Alliance and the Encore.

AMC is producing Alliance and Encore cars at its Kenosha plant at the combined rate of 1,100 a day, compared with the original expectations of 600 a day.

Renault does not want to disturb this success and judges that the time is not ripe to move into a high-priced segment of the North American car market with the R25.

The Alliance and the Encore are among the least expensive cars available in the U.S. and AMC and Renault have been using low price as a major part of their marketing campaign.

The French group believes sales of the R25 in North America would be too low to make assembly there worthwhile, even though the car was designed with the U.S. and Canadian markets in mind as well as Europe.

In addition, Renault does not feel that exports from France to North America would be warranted, and executives point to the low sales of its French rival, Peugeot, which had only 14,300 registrations in the U.S. last year.

So Renault's next model to be assembled in the U.S. as well as Europe will be the replacement for the R18 medium-sized saloon.

Replacement of the R18 is not scheduled until 1986, but sales of the model in Europe have dropped sharply in recent months, and Renault is believed to be pulling forward the whole of its car replacement programme. The R18, therefore, could well be replaced in the autumn of 1985.

Much will depend on the French Government's willingness to provide financial support for the speeded-up new model programme. Renault has asked for another FFr 1bn towards its FFr 9bn 1984 investment programme. The group received FFr 1bn towards its 1983 spending of FFr 9.5bn.

Renault chose to replace the R20 and R30 models before the R18 and its best-selling R5 (due to be superseded in 1985) because its share of the European up-market car sector, totalling around 5m units a year, has dropped sharply.

Five years ago one in 10 Renault customers bought an up-market model. Now only one in 20 does so. There is also much greater profit potential in top of the range models.

Renault, however, acknowledges that customers look for much higher quality in up-market models and for this reason has introduced an unorthodox training programme for employees at Sandouville.

Renault has made it clear that Sandouville will be responsible for the quality of the R25 – a quality which will set the tooe for the rest of the range and help build a better overall image for the group. So the Sandouville employees have been involved right from the design stage.

Renault has achieved a Cd or drag co-efficient of 0.28, allowing the R25 to take on the Audi 100's mantle as the most aerodynamic production car.

Anglo American Corporation of South Africa Limited

(Incorporated in the Republic of South Africa)

INTERIM REPORT
FOR THE SIX MONTHS ENDED SEPTEMBER 30 1983

The following are the unaudited financial results of the Corporation and its subsidiaries for the six months ended September 30 1983 together with the corresponding figures for the six months ended September 30 1982 and the year ended March 31 1983

	Six months ended 30.9.83 R million	Six months ended 30.9.82 R million	Year ended 31.3.83 R million
Dividends from associated companies	155.9	132.1	316.6
Dividends from general investments	69.7	47.7	132.6
Interest earned and fee income less expenses	96.5	93.9	217.7
Trading profits	140.0	136.9	262.0
Surplus on realisation of investments	3.5	14.8	23.4
Surplus from life assurance	6.0	4.5	10.3
Income from subsidiaries not consolidated	—	2.1	2.1
	471.6	432.0	964.7
Interest paid	95.5	88.1	187.5
Costs of prospecting	26.5	21.1	39.5
	122.0	109.2	227.0
Profit before taxation	349.6	322.8	737.7
Taxation	59.4	57.9	121.3
Profit after taxation	290.2	264.9	616.4
Outside shareholders' interest	46.6	48.1	105.1
Preferred stock and preference share dividends	2.2	2.2	4.5
	48.8	50.3	109.6
Group attributable profit—before share of retained profits of associated companies	241.4	214.6	506.8
Share of retained profits of associated companies	89.1	94.8	137.7
Profit before extraordinary items	330.5	309.4	644.5
Extraordinary items	9.0	(4.1)	(14.1)
	339.5	305.3	630.4
Ordinary dividends	79.5	79.4	249.7
	260.0	225.9	380.7
Number of ordinary shares in issue at end of period	227 113 615	226 906 134	226 998 191
Earnings per ordinary share—cents			
Excluding share of retained profits of associates	106.3	94.6	223.3
Including share of retained profits of associates	145.5	136.3	283.9
Dividends per share—cents			
Interim	35.0	35.0	35.0
Final	—	—	75.0

Notes:

1. Further issues of shares between September 30 1983 and November 24 1983 being the date of declaration of interim ordinary dividend No. 95, resulted in a total of 227 165 676 shares qualifying for payment of the dividend.
2. Particulars of the Group's interests in listed associated companies and general investments are as follows:

	At 30.9.83 R million	At 30.9.82 R million	At 31.3.83 R million
Associated companies			
Market value	6 217.9	4 390.1	5 780.8
Carrying value	2 624.6	2 134.4	2 495.8
	3 593.3	2 255.7	3 285.0
General investments			
Market value	1 691.9	1 319.1	1 543.0
Book cost	228.4	200.5	209.2
	1 463.5	1 118.6	1 333.8
Appreciation	5 056.8	3 374.3	4 618.8
Outside shareholders' interest therein	472.0	270.8	453.5
	4 584.8	3 103.5	4 165.3

3. Net asset value per ordinary share (after providing for dividend) based on the market value of listed investments at September 30 1983 and the directors' valuation of unlisted investments at March 31 1983—cents	3 623	2 582	3 321

COMMENTARY

Profit attributable to ordinary shareholders for the six months ended September 30 1983 on an equity accounted basis was R330.5 million (145.5 cents per share) representing an increase of 6.8 per cent compared with the corresponding six months of 1982. Excluding the share of retained profits of associated companies, which is transferred to non-distributable reserves, attributable profit rose by 12.5 per cent to R241.4 million (106.3 cents per share).

The increased dividend income from associated companies and from general investments was largely attributable to higher receipts from gold investments. In addition two dividends were received from Rustenburg Platinum Holdings Limited, consequent upon the change in its financial year. Trading profits were slightly higher, the decline in Anglo American Coal Corporation Limited's profits being largely offset by increased earnings from Anglo American Properties Limited. The increase in costs of prospecting reflects the higher level of expenditure on gold during the current financial year. The share of retained profits of associates is lower than last year and includes the Corporation's share, both direct and via its associate, of the losses being incurred by Sigma Motor Corporation (Pty.) Limited.

For and on behalf of the Board
G. W. H. Relly
J. Ogilvie Thompson
Directors

DIVIDEND NO. 95 ON THE ORDINARY SHARES

On November 24 1983 an interim dividend (No. 95) of 35 cents per share in respect of the year ending March 31 1984 was declared payable on January 13 1984 to ordinary shareholders registered in the books of the Corporation at the close of business on December 9 1983 and to persons presenting coupon No. 100 detached from share warrants to bearer. A notice regarding payment of this dividend to holders of share warrants to bearer will be published in the Press by the London Secretary on or about December 2 1983.

The ordinary share transfer registers and the ordinary section of the register of members will be closed from December 10 to 23 1983, both days inclusive, and warrants will be posted from the Johannesburg and the United Kingdom offices of the transfer secretaries on or about January 12 1984. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on December 12 1983 of the rand value of their dividends (less appropriate taxes). Any such shareholder may, however, elect to be paid in South African currency, provided that the request is received at the offices of the Corporation's transfer secretaries in Johannesburg or in the United Kingdom on or before December 9 1983.

The effective rate of non-resident shareholders' tax is 13.8137 per cent.

The dividend is payable subject to conditions which can be inspected at the Head and London offices of the Corporation and at the offices of the Corporation's transfer secretaries, Consolidated Share Registrars Limited, 1st Floor, Edura, 40 Commissioner Street, Johannesburg 2001 (P.O. Box 61051, Marshalltown 2107) and Charter Consolidated P.L.C., P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

By order of the board
C. L. MALTBY
Secretary

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November 25 1983

INTL. COMPANIES & FINANCE

Westpac buys control of bullion dealer

By Michael Thompson-Noel in Sydney

WESTPAC Banking Corporation, Australia's biggest private trading bank, has acquired a 75 per cent interest in the Sydney-based bullion dealer, Mase Metals, which will be known as Mase-Westpac.

Mr Bob White, Westpac's chief general manager, said the A$5.25m (U.S.$4.8m) acquisition was a natural extension of Westpac's involvement in foreign exchange and money markets, and claimed it would enable the bank to participate in "Australia's development as a major bullion dealing centre."

Mr Warren Magi, who holds part of the remaining 25 per cent of Mase-Westpac and will be its managing director, said Westpac's backing should enable the new concern to join the top "two dozen" world bullion houses.

He said Eastern Australia was in a time zone which allowed trading to start when New York was just finishing, and finish when London was opening.

● The Australian Government last night announced a Treasury bond tender of A$1.2bn (U.S.$1.1bn), its last for the year, taking total 1983-84 bond raisings to A$6.1bn. Australian savings bonds have brought in a further A$1.2bn. The latest tender offers interest rates of 0.5 per cent to 1 per cent lower than the previous tender last month.

Rates ranged from 11.5 per cent (12.5 per cent at the previous offer) to 13.5 per cent (14 per cent previously). Another tender is expected early in January.

Profits fall at Metal Box South Africa

By Our Johannesburg Correspondent

LOWER beverage can volume sales and continuing losses by a copying paper subsidiary combined to reduce the profits of Metal Box South Africa in the six months ended September 30.

Although turnover rose by 7.8 per cent, to R249.5m ($207.9m) from R231.4m during the six months, operating profit before interest and tax fell by 8.9 per cent, to R15.5m from R17m. In the year to March 31, 1983 turnover was R492.7m and operating profit was R43.5m.

Metal Box is finalising the merger of its operations with the packaging interests of the Barlow Rand subsidiary, Nampak. The merger, which broadens Metal Box's spread of packaging interests, also reduced the interest of Metal Box UK in South Africa. It has retained a 25 per cent interest in the enlarged Metal Box South Africa, but repatriated to Britain R67m in cash as part of the deal.

A dividend of 17 cents has been declared from earnings of 27 cents during the six months. The corresponding period of 1982 resulted in first-half earnings of 30 cents a share and an interim dividend of 17 cents.

U.S. QUARTERLIES

DOME CANADA

Third quarter	1983 $	1982 $
Revenue	32.9m	31.8m
Net profits	11.3m	13.9m
Net per share	0.13	0.16
Nine months		
Revenue	96.8m	79.9m
Net profits	30.1m	42.9m
Net per share	0.34	0.49

GLOBAL NATURAL RESOURCES

Third quarter	1983 $	1982 $
Revenue	12.88m	4.54m
Net profits	†0.56m	†11.41m
Net per share	†0.02	†0.51
Nine months		
Revenue	36.99m	23.06m
Net profits	1.42m	†14.06m
Net per share	0.06	†0.65

† Loss

HOUSTON INDUSTRIES

Fourth quarter	1982-83 $	1981-82 $
Revenue	1.15bn	1.12bn
Net profits	131.43m	115.55m
Net per share	1.50	1.46
Year		
Revenue	3.94bn	3.77bn
Net profits	127.01m	288.38m
Net per share	1.52	3.75

OUTBOARD MARINE

Fourth quarter	1982-83 $	1981-82 $
Revenue	215.2m	201.2m
Net profits	9.49m	6.25m
Net per share	1.08	0.73
Year		
Revenue	788.5m	778m
Net profits	39.27m	33.98m
Net per share	4.51	4.03

TORONTO SUN PUBLISHING

Second quarter	1983-84 $	1982-83 $
Revenue	30.5m	27.6m
Net profits	2.06m	1.65m
Net per share	0.25	0.20
Six months		
Revenue	59.4m	55.1m
Net profits	4.06m	2.41m
Net per share	0.49	0.29

ZAYRE

Third quarter	1983 $	1982 $
Revenue	658.6m	555.8m
Net profits	17.55m	11.79m
Net per share	1.02	0.76
Nine months		
Revenue	1.75bn	1.47bn
Net profits	33.12m	16.38m
Net per share	1.92	1.17

Chilling lesson for UAE bankers

The problems of Union Bank of the Middle East and its former chairman, Mr Abdul Wahab Galadari, have arisen both from recession and a change in policy on the part of the authorities. As a result, the independence of the merchant community appears threatened, Kathy Evans reports from Dubai

THE EVENTS which have shaken Union Bank of the Middle East in the last week have come as no surprise to local bankers and traders in Dubai and the Emirates. It had been long expected that not only this bank, but perhaps several others would face difficulties in complying with the recent central bank regulations concerning loans to directors.

The origins of the current problems in the UAE banking sector go back to the mid-seventies when the Currency Board, the forerunner to the central bank, harboured ambitions for the country becoming a regional financial centre. Foreign bankers eagerly took up the invitation to enter the world's fastest growing market, and for the local merchants, it became almost fashionable to set up one's own bank.

The net result of this bank licensing frenzy is a country of 1.25m people with 51 banks. Of the 23 local banks, more than half are effectively owned by one merchant family, members of the ruling families or even single individuals.

Even in the boom days which local businessmen now remember with nostalgia, competition among the banks was heated. Now, with a downturn in trading and cuts in government expenditure, it has become a time of nervous finger pointing. Many of the family banks were established by merchants and their associates to fund property development and construction activities generated during the boom. Now, with the recession, they have had difficulties in diversifying away from those activities.

The family dominated banks are not the only ones to have suffered. Many of the late entrants to the banking scene found themselves dealing with the tail end of the loan market and paying over the market rates for customer deposits.

There is still a difference of up to 3 per cent between the interest rate paid on customer deposits by well established banks and those paid by banks fighting for funds.

The central bank expressed concern over the low capitalisation of many of the new and family banks, and their ability to weather the storms generated by sluggish trading conditions. It acted by setting a minimum of $10.8m as a capital base and by requiring banks to lend no more than 5 per cent of their capital and reserves to directors.

But in the past 18 months, the situation has been exacerbated by delays in payments from the Federal Government. Many local contractors have looked to their banks for assistance during this time, and this is adding considerably to the strain placed on the banking sector generally. This problem was the subject of a recent conference held by the Federal Chamber of Commerce with representatives of all the banks. The merchants requested the banks to be more patient in their demands on local companies; too many were resorting to legal action and other penal measures against their customers, they argued.

But it was around the family banks that concern focused, particularly by the foreign institutions. A number of the larger local and foreign banks in the UAE say they have unofficial lists of banks with which they would, diplomatically, decline to do business. As one Bahrain-based banker commented: "You don't know whether you're doing business with the bank or the man."

Mr Ahmed al Tayer, UAE Minister of State for Financial Affairs, says that the Union Bank of the Middle East was the only bank which could not comply with the central bank's regulations on directors' loans.

"We have long advised the families to be more conservative, and they have all corrected their positions concerning their banks," he said.

The Government has, however, a long-term policy of cutting the number of banks in the country back to such numbers as exist in Saudi Arabia and Kuwait, where the banking system is dominated by a small number of very solid local banks. Restrictions have already been placed on foreign banks as regards branches, and now, Mr al Tayer says, he wants to see the number of local banks cut to eight or 10.

The central bank has long been encouraging small local banks to merge, or for the larger units to take them over. Cutting the number by half will be a very difficult task, given the individualistic nature of the merchant community.

An additional problem is that each of the seven emirates of the Federation has its own national bank, even Umm Al Quiwain, whose population is only 12,000. Getting the rulers to agree to merge their national banks with those of other emirates will be virtually impossible. Thus, if the central bank and the UAE Government are to succeed in cutting the number of local banks back to 10, then the privately-owned banks will have to be cut to a fraction of their present number.

Mr al Tayer says that despite the lack of success so far in persuading the merchants to merge their banks, the Government is still hoping not to have to force them. "We first want to sell them the idea, point out how much stronger they will be as regards capital, reserves and how much they will save in management costs." Nevertheless, if such tactics do not work, the Government appears willing to adopt more forceful measures.

"Times are changing, we hope the merchants will not stick to their old attitudes. We want to see some jumbo-sized banks and we will give them time to absorb the idea," Mr al Tayer declared. Ultimately, he wants to see local banks quoted on the proposed new stock exchange, thus spreading and diluting ownership away from the families even further.

One chilling lesson which might convince the local merchants of the benefits of mergers is the current situation of Mr Abdul Wahab Galadari, the former chairman of Union Bank of the Middle East. He has had all his local assets put under attachment by the new board of directors. The move marks the first direct intervention of the Government into merchant affairs, and that will certainly not go unnoticed among members of the local business community.

Mitsubishi and Mitsui hit by recession

BY YOKO SHIBATA IN TOKYO

TWO of Japan's largest trading houses, Mitsubishi Corporation and Mitsui and Co., experienced falls in both sales and earnings in the first half ended September 30.

Japanese trading houses have all been affected by recession because they are heavily dependent on transactions in basic materials such as iron and steel, petrochemicals, non-ferrous metals, grains and oils—all of which were depressed. Their overseas expansion was also somewhat confined during the past half year, owing to the credit crisis in Latin America and Eastern Europe.

As a result, the trading houses or placing more emphasis on intermediary trade or trade in technologically advanced goods, such as biotechnologies and information systems, or service areas such as leasing and factoring. However, these areas will take a long time before they begin to contribute significantly to earnings.

In view of slower business activities, particularly in the home market, the trading houses are carrying out rationalisation measures, such as sharply reducing borrowings.

Mitsubishi Corporation, Japan's largest general trading house, saw its parent company turnover fall by 2.5 per cent to Y7,190bn (US$30.5bn). Pre-tax profits rose by 8 per cent to Y19.86bn but net profits fell by 9 per cent to Y9.54bn.

The sales setbacks were attributed to lower domestic demand, down by 4.9 per cent to account for 36.8 per cent of turnover. Export transactions were also 5.5 per cent lower, at 18.2 per cent of the total, hit hard by lower exports of plant and steel products. Imports accounting for 34.3 per cent of the total, fell by 2.5 per cent.

Intermediary trade, or offshore transactions, alone fared well, up by 13.6 per cent to account for 10.7 per cent of turnover.

In the current half year, ending March 1984, Mitsubishi expects recoveries in demand for non-ferrous metals and foods, as well as a general upturn in the domestic economy. For the year both pre-tax and net profits are expected to recover to the previous year's level, to reach Y42.9bn and Y18.2bn respectively. Sales of Y14,700bn, slightly below the previous year's level, are forecast.

Mitsui and Company's half-year unconsolidated sales fell by 4.2 per cent to Y6,798bn. Pre-tax profits tumbled by 59.3 per cent to Y13.7bn and net profits were down sharply by 27.5 per cent to Y5.06bn.

Its sales of steel fell by 20 per cent to account for 15.4 per cent of the total. Sales in the machinery sector dropped by 16 per cent to account for 15.7 per cent of the total, following a slump in plant exports. However, sales in the oil and gas sector rose well by 11.9 per cent to 20.8 per cent of turnover.

In the current half year, ending March 1984, a strong recovery in demand for steel is not expected but higher transactions in oil, chemical goods and foods are. Mitsui's full year sales are projected at Y13,800bn, down by 2.5 per cent from the previous year.

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'ALLEGHENY INTERNATIONAL INCORPORATED,
the Chairman Mr. Robert J. Buckley, and all its people around the world extend their congratulations to Graviner and Pains Wessex on the occasion of their 50th Anniversary, and are proud to be associated with these leading technology businesses.'

GRAVINER
PAINS-WESSEX SCHERMULY

Mr. Christopher Lewinton

Christopher Lewinton, Chairman of Allegheny International's International Group and Executive Vice President of the parent company had this message for Sir Ronald Ellis, the Chairman of both companies.

A message from Sir Ronald Ellis

To be Chairman of two years standing of two companies that have been active in their fields for over fifty years brings home the contributions made by so many people to enterprises of this kind.

Despite industrial development and enormous technological change over the last fifty years both Graviner and Pains Wessex have succeeded in keeping ahead of the game. Their products are not only known the world over but they are recognised as leaders in research end development in their particular fields.

Our major operation for the future is to grow these companies substantially in both size and ability.

The demends for absolute safety are today greater than they have ever been and some of the challenges which face both companies will produce in them new ideas, new devices and new technologies which will maintain them in their present position as world leaders in their fields.

Sir Ronald Ellis

Fifty years of fire protection and safety

FIRE IS ONE of man's greatest blessings, giving the warmth and light that is necessary for life itself. But it is also one of his greatest hazards, with a destructive capability second to none if allowed to get out of control. Since man first began to use fire, he has been obliged also to learn how to control it. With today's rapidly accelerating pace of technology across a wide range of products and industries, both civil and military, the potential hazards of fire and explosion have increased dramatically.

This in turn is generating a constant demand for ever-improving methods not only of suppression once fire and/or explosion have occurred but also, more significantly, of detecting the imminence of such hazards so that high-speed preventive measures can be initiated. Of equal significance, however, is the ability to use fire and explosion under controlled conditions so as to employ them in a wide variety of ways for the benefit of mankind, such as illumination and signalling.

It is in this broad arena that two companies celebrating their fiftieth anniversaries this year, Graviner of Colnbrook and Pains-Wessex of High Post, near Salisbury, have developed multi-million pound international businesses that are constantly growing today.

Both companies are part of the International Industrial Group of the U.S. industrial and consumer product conglomerate, Allegheny International, based in Pittsburgh. Allegheny's annual turnover is close to $3 billions. The Industrial Group, including Graviner and Pains-Wessex, has a turnover of close to $50 millions annually, of which close to 60 per cent is in exports. Graviner and Pains-Wessex, in addition to their own expertise, can draw on that of other companies involved in safety and protection in the Allegheny International Group.

These include Deugra in West Germany, and HTL Industries and Kilgore Corporation, both in the U.S., where they help to spread the Graviner and Pains-Wessex technology in that very large market. While Graviner is primarily involved in the prevention, detection and suppression of fire and/or explosion, Pains-Wessex is primarily a specialist in the pyrotechnic business, supplying illumination and signalling aids, rocket line-throwers, distress signals and coloured smoke for life-saving and other purposes, while it is also active across a wide range of other products in which fire and explosion can be employed in a controlled manner for many purposes.

Both Graviner and Pains-Wessex each employ about 500 personnel, and are both unique in their fields. Many thousands of lives and many millions of pounds of capital equipment have been saved as a result of the activities of both Graviner and Pains-Wessex in the Allegheny International Group.

It is fair to claim that both companies are unique in the world in both the extent of their knowledge of the chemistry, physics and technology of combustion, and the diversity of their resulting products.

The following articles illustrate the wide range of the Graviner and Pains-Wessex activities.

The evolution of an idea

LIKE MANY of Britain's major industrial companies, Graviner was conceived from a single, even simple, idea. The Graviner Manufacturing Company was founded on November 29, 1933, with an issued capital of £1,000, by Anders Mathisen, a Danish engineer who bad set up bis own patents agency, and a retired Indian Naval Captain, Hubert MacKenzie Salmond.

Their aim was to produce and market a gravity intertia switch, invented by Salmond, and aimed at preventing fires in motor cars by closing off electrical contacts so as to isolate the ignition and lighting circuits in the event of s crash. Salmond bad thought up the idea following the loss of a friend who had burned to death in a car accident. Mathisen first met Salmond when the latter wanted his product patented. They worked on the idea together, and their enthusiasm for the commercial prospects it offered led them to form their company

The name "Graviner" was derived from the first four letters of the words "gravity" and "inertia", and it quickly became the company's Registered Trade Mark, still in use world-wide today.

The ensuing years were highly active. The gravity inertia switch for cars did not do well, because motorists did not believe that crashes and fires would happen to them! But Mathisen was undaunted, and turned his attention to the possibilities of aviation.

The company had been formed barely a few years prior to the Second World War, with rearmament becoming s major factor, and through the middle to late 1930s, Mathisen and his team worked hard to adapt the Graviner gravity inertia switch into a complete fire suppression system including a flame-sensitive switch and an extinguisher, with a view to its acceptance by the Air Ministry for military aircraft. That target they ultimately achieved against fierce competition, prior to the outbreak of war.

It was during this period also that the subsequent long-standing relationship between Graviner and the Wilkinson Sword Company was forged. Wilkinson Sword in the very early days agreed to market the Graviner switch, and later when the first Air Ministry order came, the company also agreed to make that equipment. From this evolved the industrial relationship that has lasted ever since.

Although Anders Mathisen did not live to see the fiftieth anniversary of his creation (he died on May 8, 1973, aged 76), he was the company's leader through the Second World War and the subsequent years of even greater expansion into new products, laying down the company's business philosophy of meticulous attention to detail and service to the customer that prevails to this day.

As a result of its continuous and close studies into the technology of combustion, Graviner has developed a massive volume of experience in the research, design, development, testing and manufacture of a wide range of overheat, fire and explosion prevention, detection and suppression systems that are widely used in more than 50 countries on road vehicles, armoured fighting vehicles, on rail-carriages, in ships, in commercial and military aircraft, in guided weapons and in industrial plants and complexes of all kinds, including North Sea oil rigs.

The company's export capability has substantially emerged in the post-war period. Graviner had almost no direct exports until after the early 1950s, when the aerospace industry began to recover from the constraints of war-time production and the immediate post-war slump in its activities. But as the aerospace industry broadened its own horizons, especially into civil markets, Graviner moved with it. Britain led the world in jet engine design, and it had also a wide range of gas-turbine powered civil and military aircraft programmes.

Rolls-Royce, one of the world's greatest engine manufacturers, began to export gas-turbine engines in the post-war field to many countries, and close collaboration with that company ensured that Graviner was the natural first choice for fire protection in the jet age — a situation that gave the company the entry to many of the markets that it still holds today.

The West German subsidiary, Dengra (Deutsche Graviner) was founded in 1958, boused in a temporary building on Dusseldorf Aerodrome. From this base a business in fire protection for aircraft, and more particularly fighting vehicles was built up. This year sees the 25th Anniversary of this Company, which, in its own right, is a leader in fire explosion detection and suppression for aircraft, fighting vehicles, marine and industrial explosion protection systems.

It was particularly to introduce Graviner technology to the U.S. market that Allegheny International acquired the U.S. company, HTL Industries, some time ago. HTL has a very similar profile to Graviner, with a turnover of around $30m a year, and the two companies work very closely together.

Graviner's systems fully meet the stringent requirements of the major safety suthorities in the world, including the UK Civil Aviation Authority, the U.S. Federal Aviation Administration and many military authorities.

Just as the Graviner systems have an unrivalled reputation throughout the world, ao also does the company's product support capsbility. This involves maintenance, servicing, technical back-up training and many kinds of co-operation with system users. All are essential for both everyday efficiency and continued innovation in the detection and suppression of fire, overheat and explosion hazards of all kinds.

Research is one of the most important single reasons for Graviner's leadership across the wide spectrum of this vital field of activity. A team of highly qualified engineers and scientists is dedicated to investigating the causes and finding solntions to the problems of fire, explosion and overbeat wherever they may occur.

As new materials and techniques are developed by manufacturing industry, and employed in an ever widening range of uses, they bring new bazards and so the need expands for new knowledge on fire, overbeat and explosion detection and suppression. The process of learning never ends. Graviner has unique experience in assessing the bazards and devising the solutions to these new problems as they srise, with s wide range computer and experimental facilities at its main plsnt at Colnbrook.

The result is leadersbip in the field of fire and explosion safety, and the provision of the safest, most reliable products for civil and military industrial fire and explosion prevention, detection and suppression.

Gravity Inertia Switch

Left, John Hope, Managing Director, Graviner Ltd., and right, Bob Farquhar, R & D Director, reviewing a prototype unit for automatic testing of infra-red detectors

GRAVINER

50 years of fire detection and suppression

In November. 1933 Anders Mathisen established a company to market a device which would isolate the ignition and lighting circuits of a vehicle in the event of a crash – the device was called a GRAVity INERtia switch, from this came the name of a company which today leads the world in the technology of Fire & Explosion Detection and Suppression, that company is GRAVINER.

Wherever there is a need to protect people, Graviner equipment will be found. In the air with detection and suppression systems for civil and military aircraft. On the sea with diesel engine monitoring equipment and on land where Graviner systems protect 'high risk high value' plant and equipment and civil and military vehicles of all types.

GRAVINER
protecting people for 50 years
Graviner Ltd Poyle Road Colnbrook SL3 0HB
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Graviner, a member of the International Industrial Group of AI Allegheny International

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A wide range of aviation systems

THE growing world aviation market was the first to attract the attention of Graviner's founder, Anders Mathisen, in the early 1930s, when it became clear that the Graviner gravity inertia switch for cars was not likely to make the company's fortunes. Mathisen worked hard to adapt the system he and Salmond had developed for motor cars for use in aeroplanes, and success came before the Second World War, with a small Air Ministry order for testing purposes. From that small start, Graviner has subsequently developed what is now the major part of its business, the provision of fire and overheat detection and suppression systems for civil and military aircraft.

Probably the most famous of the various systems manufactured is the FIREWIRE, a lightweight, strong but flexible element with electrical properties that continually monitors temperature changes and signals warnings to a master control unit whenever a predetermined "safe" temperature is exceeded.

The system can thus function without constant reference by the pilot of the aircraft, thereby ensuring a minimal work-load while providing reliable fire or overheat detection. Many British and foreign built civil and military aircraft are equipped with FIREWIRE, including the Anglo-West German-Italian Tornado multi-role combat aircraft, the European Airbus, the British Aerospace Harrier vertical take off fighter, and the British Airways 757 twin-engioed jet airliner, just to name a few.

Gas detector

Graviner manufactures a wide range of additional aviation products, including the Discrete Continuous Detector, which can detect leaks of hot gases from the various ducts which are an integral part of all modern passenger carrying aircraft. This system provides an overheat warning whenever the temperature reaches a predetermined level, thereby ensuring that structural weakening or damage to the duct is not a costly or even hazardous result of any gas leak.

The Graviner range of High Soak Resetting Fire and Overheat Detector Switches (HSRS) can withstand extreme temperature and vibration conditions which enables them to be located in highly sensitive areas of civil and military aircraft. They can be used to trigger either alarm or fire extinguishing devices.

Also within the Graviner range is the world's most advanced Ultra-Violet Flame Detector, which started life as an attempt to meet U.S. NASA requirements. This has an ultraviolet sensor which can detect radiation in the range of 200 to 265 nanometers. Operating within this range means that the system can differentiate the radiation of wavelengths present in flame from other sources of radiation, such as sunlight, artificial lighting, strobe lights and hot surfaces.

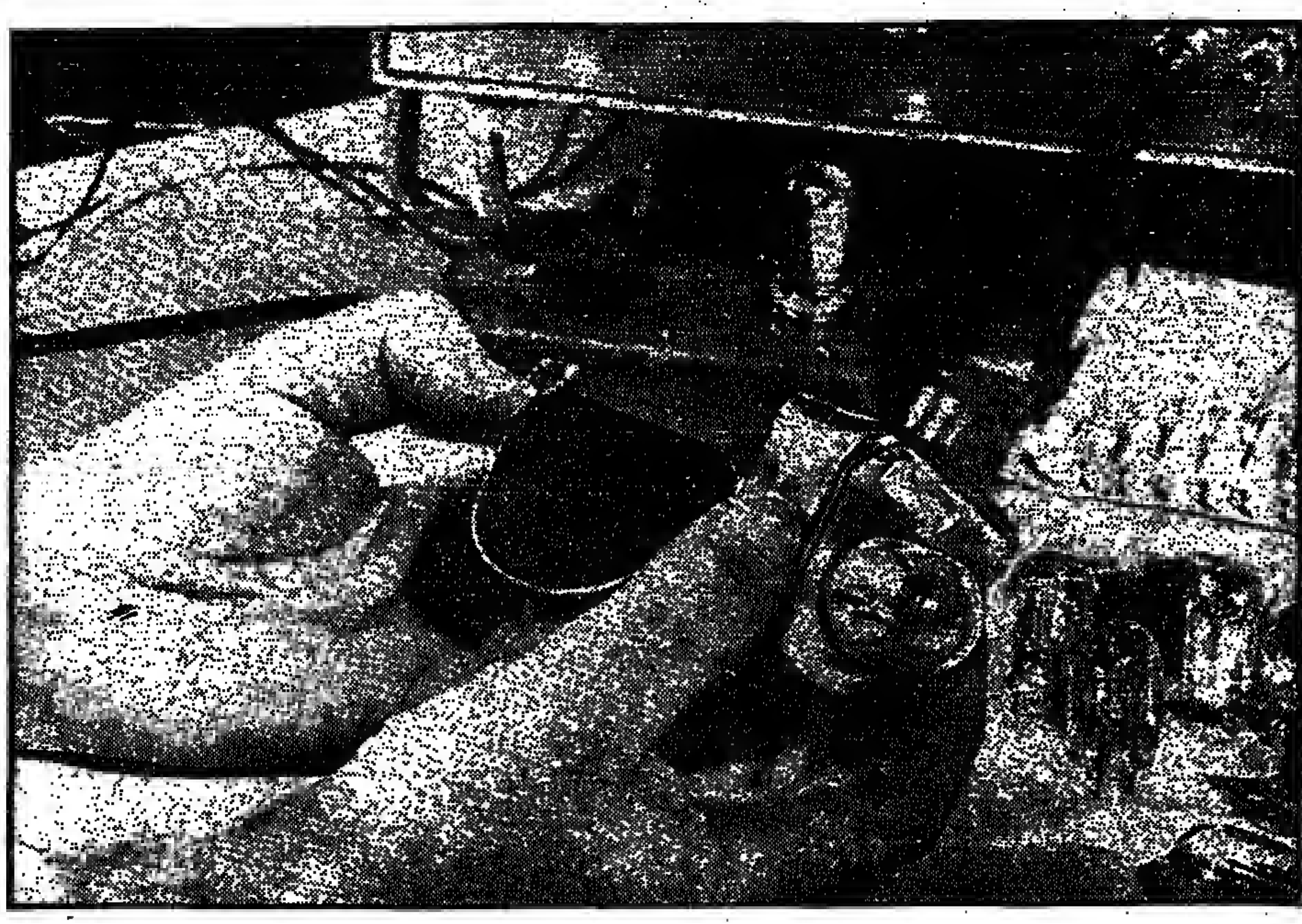
These sensors have a hemispherical field of vision, and can detect flames at distances of up to 20 metres. They can detect all types of fire, including those involving titanium, magnesium, kerosene, petrol, hydrogen and methane.

Accessories

Graviner also manufactures and markets a comprehensiva range of automatic extinguishers and accessories which include directional flow valve, spray nozzles, pressure relief devices and discharge indicators. The company offers a range of impact and inertia operated switches for mounting on aircraft to actuate fire protection equipment and other emergency systems when crashes occur.

Survivability

Also, by drawing on its experience, Graviner offers combat survivability systems which are suitable for application on both fixed wing and rotary winged aircraft and which can substantially reduce aircraft losses in combat resulting from "dry hay fires"—that is, fires which occur in the area between a fuel tank and the aircraft's skin. Also available is a wide range of other suppression techniques, inclnding conventional pressurised Halon suppressors, detonator-driven non-pressurised Halon suppressors, and propellant driven powder suppressors. Each technique has a role in different parts of an aircraft and is thus suitable for a wide range of civil and military aircraft types.



Lightweight ultra-flame detector

Explosion protection in industry

GASES AND DUSTS can be potential killers. Industries which handle flammable liquids, explosive gases or combustible dusts are required by law to prevent or restrict the propagation of explosions in factories or other industrial plants. Many everyday materials can be highly flammable and can form explosive dust clouds—such as metal particles, grain, sugar, starch, coffee and many other normally harmless products.

In fact, any material that can burn can provide an explosion risk if the level of concentration is high enough. Moreover, a primary explosion, even in a small component, can often lead to a catastrophic secondary explosion within the factory complex involved. There have been over 4,000 industrial explosions in Europe alone over the past few years, many of which might have been avoidable.

Rapid response

For many years Graviner has consistently piooeered in the field of industrial explosion protection. Graviner systems are now installed in many hundreds of factories throughout a wide range of industries, saving lives, plant and profits. It is a fact that, wherever installed against a defined hazard, Graviner Industrial Explosion Protection Systems have never failed. Many hundreds of plants have been saved by these systems, some of them more than once.

The Graviner system operates on the basis that, although it is commonly supposed that an explosion is instantaneons, there is in fact a measurable time between the build up of pressure to a destructive level and the actual ignition. The Graviner system uses this time to detect the incipient explosion and activate the protection equipment. Moreover, the system, once installed, can be passive for a long period, perhaps even for years, whilst remaining capable of responding in milliseconds on the one occasion it may be required to function. Once installed, only routine inspection is necessary.

The Graviner system has been developed through many years of research and experience of the chemistry and physics of combustion, and practical experience of the problems associated with many different types of plant.

The primary benefit of the system, which comprises a master control unit, and detection, suppression and venting units, is that not only does it eliminate the consequences of a serious explosion but also, because of the by-product of the high level of safety and reliability that it provides, enables personnel to operate closer to the hazardous processing or manufacturing plant than might otherwise be the case.

Lower costs

This in turn means that multi-level construction techniques and higher density grouping of manufacturing resources can be achieved. Furthermore, the components protected by Graviner systems need not be designed to withstand the full force of an explosion, thus eliminating the need for reinforced walls and other cumbersome and expensive safeguards. After a suppressed explosion, the only costs involved are for the replacement or reconditioning of certain components, while existing plant can be protected with a minimum of upheaval and loss of prodnction.

Graviner systems have found widespread application in many types of industrial plant, from gas and chemical plants to pharmaceuticals, and in processes ranging from milling and grinding to spraying and drying. The plants protected range from acetone and animal feed manufacture, through flour, grain, gravy powder and icing sugar, to sulphur and wood flour.

Increasing safety at sea

FIRE IS as much of a hazard aboard ships at sea as it is on land, and potentially can be just as destructiva of lifa and property. Tha detection of fire aboard ship is therefore an important consideration for the crew, for the shipowners, and for cargo shippers and insurers.

The various Graviner systems that are capable of being installed on land are equally suitable for installation aboard ships, but in addition tha company has developed some specialist systems that are designed exclusively for maritime use.

One example is the ability to detect the development of oil mist in marine diesel engines that can ignite, causing engine failure.

This potential hazard was first identified many years ago, and in 1954, the British Shipbuilding Research Association invited Graviner to develop and produce the world's first oil mist detector with the result that today more than 80 per cent of all diesel-engined ships of over 2,000 tonnes are fitted with this type of equipment, involving many thousands of vessels world-wide.

Micro Processor

The most positive method of diesel engine monitoring is to measure the density of the mist in the crankcase so as to detect very small increases in that density due to overheat conditions. In this way all the sliding and rubbing surfaces in the crankcase can be monitored. The Graviner Mark Fiva OMD, which is microprocessor based has been designed to combine very high sensitivity, with freedom from falsa alarms, but using the sophistication that micro-electronics allows.

Its fast scanning system, tested over hundreds of millions of operations, ensures that each crankspace is checked in turn. Whenever a "hot spot," generating an increase in oil mist and creating a potential hazard is discovered, the alarm is given and the potential overheating can be reduced by slowing the engine speed.

The system can be simply installed directly onto the engine, for a low capital outlay. The investment in the equipment is a small price to pay for ensuring the safety of the vessel and its crew, and the prevention of delays, salvage claims and losses of revenues that engine damage might otherwise cause.

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Protection on the battlefield

ANY MODERN battlefield is by definition an unpleasant place to be. For the spearhead troops it can be particularly hazardous, given the conditions of modern warfare with the inevitably extensive use of guided weapons, such as anti-tank and anti-personnel weapons. Everything that can be done in advance, therefore, to reduce the undeniably high levels of risk for the forces involved, and especially those involved in tank warfare, is well worth the cost involved.

Many modern military vehicles, such as tanks and armoured personnel-carrying vehicles, have high-powered engines and transmission systems enclosed in small, heavily armoured compartments with restricted cooling air flows. The fuel tankage is usually adjacent to the engines and the risks of fires caused by engine and transmission overheating and fuel spillage is high.

Minimising risks

In combat, these vehicles are highly vulnerable to attack from many types of anti-armour weapons and the penetration of fuel tanks and hydraulic systems within the crew compartment can lead to massive fuel explosions and fires, resulting in the death or incapacitation of the crew and the destruction or immobilisation of the vehicles.

The need for systems which provide protection against fires in engine and crew compartments is now recognised as an essential requirement for modern fighting vehicles. The cost of such vehicles is very high, and the training of crews is expensive and time consuming.

Fire protection systems minimise the risk and ensure that the vehicles and their occupants have the best possible chances of survival in combat. Graviner military vehicle fire protection equipment has been specifically designed for the specialist military operating environment, and is in service on more than 45,000 armoured vehicles in over 35 countries.

The Graviner "Crew Bay" system for fuel explosion and fire protection is based upon the ability to detect the infra-red radiations in hydrocarbon flame that are characteristic of exploding and burning fuel, while not reacting to false alarms—similar radiations occurring in a battlefield environment. The detectors are coupled to a control unit which automatically actuates one or more high-speed suppressors.

These deploy non-toxic concentrations of Halon 1301 within the crew compartment to suppress a fuel explosion or fire before catastrophic conditions result. The system is capable of detecting a fuel explosion or fire within two to three milliseconds of its inception, while the high speed suppressor can discharge its Halon 1301 through a pyrotechnically operated valve within 70 milliseconds. The fire can be out within 120 milliseconds of initial detection.

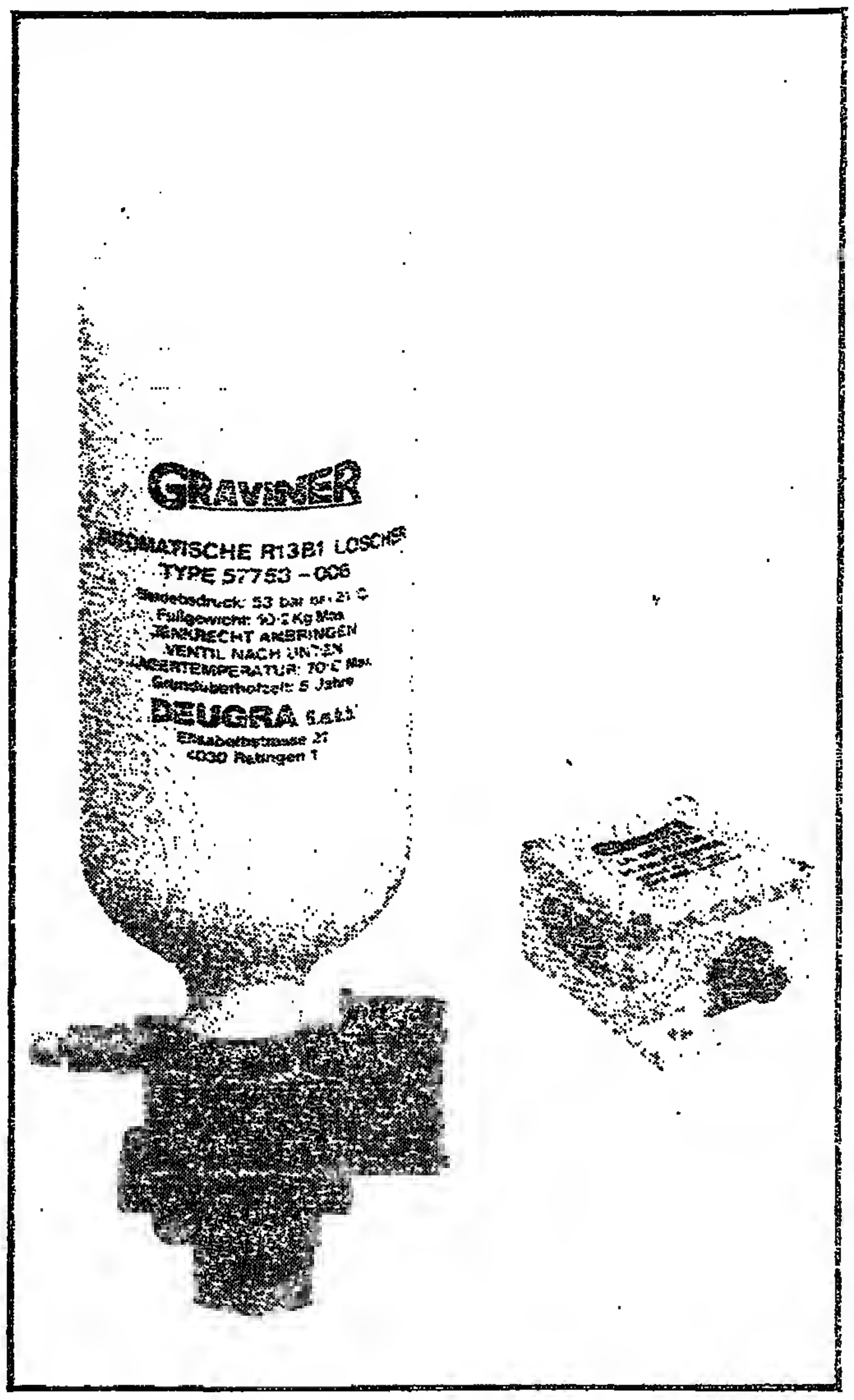
Rugged

The system has been designed in such a way that it does not react to false alarms, while it is also designed to operate under the most rugged of climatic and terrain conditions. The microprocessor techniques used in the Graviner control unit, and the company's unique experience of vehicle configurations and field trials enables it to offer variants of the "Crew Bay" system to take account of particular customer and specialist vehicle requirements.

Low volume

The company also manufactures point and continuous *detectors for overheating and* fire protection in the vehicle engine bays, including the famous FIREWIRE continuous detector system which is already widely used in civil and military aircraft, where light weight and low volume are of paramount importance.

The company's High-Soak Resetting Switch (HSRS) point detector can be pre-set during manufacture to operate at a specific temperature. Overheating, or a fire in the engine bay, causing the temperature to rise above the pre-set level, results in a signal which is used to give a warning or, if required, automatically to activate the extinguisher system.



High-speed suppressor/Infra-red detector

Serving the defence industries

DEFENCE HAS rightly been described as "the spearhead of advanced technology," spawning techniques with wide applications in commercial as well as military fields.

For more than 25 years Graviner has been working through its Guided Weapons Department with major manufacturers of guided missiles, manufacturing specialist components for weapons. The company first became involved in the expanding guided weapons industry with the former de Havilland Aircraft Company (later part of Hawker Siddeley Aviation which in turn subsequently became part of British Aerospace) when it manufactured pyrotechnic cable cutters for use on the Blue Streak rocket.

Missile systems

Much of the guided weapons activity *remains classified*, but today the department works closely with the Ministry of Defence'a own research establishments, with British Aerospace and other prime contractors. Its own skills are allied to those of other members of the Allegheny International Group of companies. As a result, the combined products and technologies of the group have provided equipment for many major weapons systems, including the Swingfire anti-tank missile, the British Aerospace Sea Dart ship-launched anti-aircraft and anti-ship missile and the Sidewinder air-to-air missile.

The list of products is impressive, ranging from Safe/Arm devices through to high speed generators, pressure vessels and pressure systems to pyrotechnic devices. The combined groups can provide both off-the-shelf components, or can design and manufacture solutions to particular weapons systems requirements.

The Graviner Safety and Arming devices ensure the safety of weapons systems during handling, transport and storage, and can initiate arming *in response to the widely varying* requirements of the launch environment on land, sea or in the air.

Pressure vessels

The company also manufactures a wide range of high speed generators, while its long experience in fire suppression technology has been extended to a range of pressure vessels designed and manufactured to the highest levels of reliability. Allied activities include the manufacture of actuators, pressure management components and mini ture gauges.

In addition, a wide range of pyrotechnic initiators, delays, actuators and gas generators is made for missiles and launcher sub-systems. Graviner is able to adapt this wide range of products to suit most ordnance-related needs in military and space applications.

Solving problems

The guided weapons department is more than just a manufacturer of equipment. The engineering teams, with access to wide-ranging technology, ensure that Graviner can offer not just products but a unique problem-solving capability, backed by years of practical experience.

The department can analyse a customer's requirements, and develop the correct solution using creative engineering and proven design techniques, while skilled technicians, liaising with the design and research development teams, can convert *the design to prototype hard*ware and ensure product integrity before production begins.

Pyrotechnics technology

PYROTECHNICS is a rapidly developing industry. While to many it still has the ancient connotation of "fireworks," the industry has substantially shed the long-prevailing "bucket and stick" image of "light the blue touch paper and retire immediately."

Today, pyrotechnics has become a high-precision, advanced technology industry in its own right, requiring meticulous attention to safety, reliability and performance effectiveness across a widening range of products in which the controlled use of fire and explosion can be harnessed to serve mankind in innumerable ways.

Pains-Wessex, a member company of the International Industrial Group of Allegheny International, and an associate of Graviner, is the world's leading specialist manufacturer of high-technology pyrotechnics for a wide range of military, marine and commercial uses, along with a comprehensive range of safety equipment for merchant vessels, rescue services and martime leisure craft.

Pains-Wessex, based at High Post, near Salisbury, Wiltshire, manufactures under its own and the Schermuly brand names. All its marine products are designedto meet or exceed both the SOLAS) Safety of Life at Sea) Convention (1974 and 1978 protocols) and the requirements of national, civil and military approval authorities.

Impeccable pedigree

An extensive distribution network now spans more than 50 countries, ensuring a high level of customer service and continuous stock replenishment. A highly specialised research and development team ensures that the company remains in the forefront of this rapidly developing high-technology arena, so as to meet changing market needs, while an experienced manufacturing and inspection team ensures that all Pains-Wessex/Schermuly products achieve, or exceed, the standards of performance, reliability and service-life required by the end-users.

The company spends over £¾m of its own money every year on research and development, while spending on the introduction of new capital equipment this year will approach £1m. Pains-Wessex works closely with the Kilgore Corporation of the U.S., through which the Pains-Wessex/Schermuly products are introduced to the big U.S. market.

The Pains-Wessex pedigree in tha pyrotechnics industry is impeccable. The company was formed by the amalgamation in 1965 of Pains, a long-established firework company from London and the Wessex Aircraft Engineering Company of High Post. Pains itself was founded in about 1850 by James Pain, a London gunpowder maker, while the Wessex Aircraft Engineering Company was founded in 1933, so that this year Pains-Wessex is effectively celebrating its fiftieth anniversary.

An extensive range

Both companies were acquired during the 1960s by Bryant and May, the famous match manufacturer (part of what was then the British Match Corporation), which also acquired Schermuly Limited, the pyrotechnics company of Newdigate, in Surrey, in 1973. British Match was merged with the Wilkinson Sword Group in late 1973, the latter in turn eventually becoming part of the Allegheny International Group.

On the marine side, the company's extensive product line embraces eqnipment for commercial and leisure craft, and for the use of search and rescue services.

Pains-Wessex records show that the first Schermuly patent for a marine distress flare was granted in 1873, while the original Schermuly line-thrower was introduced in 1897. The Schermuly name, therefore, has for many years been synonymous with safety at sea. During the Second World War, the Pains-Wessex company's predecessors developed many specialised pyrotechnic devices for marine use and throughout tha post-war period this range has been and is still being, extensively widened.

Today, the marine range includes line-throwing apparatus; red flare rockets for long-range distress signalling; smoke signals for distress signalling and illuminating flares for coast line surveillance and search; flares; lifebuoy markers; raft and life-jacket lighters, and compact survival and liferaft signals. Ancillary products include sea-marker dyes, location markers and windproof matches.

For military use, Pains-Wessex supplies both the UK *Government and many overseas* governments. The current military pyrotechnic product line includes devices for illumination, signalling, screening, marking, decoying, search and rescue, sound signalling, and battlefield simulation and training.

A complete range of cartridges and parachute illuminating rockets is available to provide a brilliant light source for virtually all military roles. Short-range illumination is provided by hand or pistol-fired flares, while medium-to-long range illumination of up to 1m Candela is achieved from illuminating rockets fired from launchers specifically designed for infantry, vehicle, ship or fixed-wing and rotary-winged aircraft use.

Keeping ahead

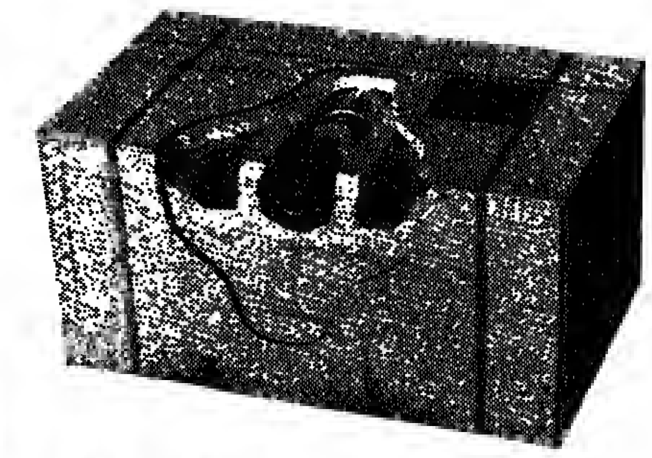
The company, in fact, pays particular attention to research and development. Apart from the high level of spending on this vital element of its activities, Pains-Wessex amploys scientific and technical staff of the highest academic qualifications, thereby ensuring that it remains in tha forefront of the ever-advancing technology of pyrotechnics. Tha company funds its own research programme, which ensures an independence in its thinking that in turn enables it to remain ahead of customers' own demands and helps to determine requirements well in advance of its competitors.

The company is now also increasingly making use of computer-aided design and development and testing techniques in its overall research and development effort, which are in advance of those employed even in some Government research establishments.

These techniques are enabling it to speed the overall development times on new products, and on improvig existing ones, with consequent subsequent savings in costs, whilst achieving ever-higher standards or reliability and performance.

Meticulous attention is also paid both to quality control, and to packaging for transport and storage, thereby ensuring high levels of product safety and reliability.

Miniflare, personal survival kit, consisting of a pen-sized projector and eight screw-on cartridges in a weatherproof plastic pack



Smoke grenades packed in polystyrene and boxed, allowing them to be carried by passenger air freight

Buoylite 1, continuous output light for attachment to emergency lifebuoys

Advanced research

One of the most advanced areas of Pains-Wessex research is in the development of countermeasures for use in modern warfare. Two of these are of especial interest—the development of methods for screening armoured vehicles on the battlefield against detection by enemy thermal-imaging devices, and the development of flares for use on high-speed combat aircraft to decoy heat-seeking missiles.

Modern military vehicles, such as tanks, and other armoured vehicles, by their nature, have powerful engines that generate a considerable amount of heat. This has been used in the development of powerful weepons against them. Thermal imaging techniques, for example, have been evolved that can detect such vehicles via their thermal signatures at very long ranges, both by day and night, and even when tha vehicla itself seeks to hide behind a dense visual screen of smoke. In this way, the vehicle becomes vulnerable to attack, and possible destruction.

To counter this, it is necessary to find ways of destroying the thermal contrast of the vehicle against its background, thereby limiting, if not eliminating, the ability of the enemy to see the target even when equipped with thermal imaging devices.

Pains-Wessex is developing what is called the Schermuly solution to this problem.

In effect, this is a multi-band screening device, with a number of small grenades carried aboard the vehicle, and ejected when required so as to form a large cloud of visual screening and infra-red radiating material between the vehicle and the enemy sights. The emission characteristics of the material forming this cloud create an effective screen that cannot be penetrated either visually or by any known thermal imaging device. A series of such small and easily handled grenades can be discharged electrically from the vehicle, so as to provide a highly effective and non-toxic protective cloud, behind which the armoured vehicle can continue with its own attack.

Today's helicopters and high-speed combat aircraft are also vulnerable to various countermeasures, but particulraly to air-to-air and ground-to-air missiles. Those missiles function on the principle of detecting the heat of an aircraft, such as that from its engines, and by homing on to that so as to effect a "kill." A means of protection is thus vital.

One such method now being developed is provision of a "decoy" heat source. This can be carried by a combat aircraft as part of its normal battle equipment. The decoy takes the form of a flare, generating considerable heat in its own right. When ejected from the aircraft, it either attracts the attacking missile, or confuses it to such an extent that the aircraft can make its escape.

Speedline, self-contained line-throwing unit

A unique capability

The combined Graviner/Pains-Wessex activities collectively comprise the world's most advanced ability to provide fire, overheat and explosion prevention, detection and suppression techniques along with a unique range of associated pyrotechnic devices for a wide and expanding diversity of customers. At the end of 50 years of steady growth, the component parts of the International Industrial Group of Allegheny International are not content to stand on their achievements, but are actively exploring new markets, new techniques and new products to meet the ever-widening and exacting demands of its customers, commercial and military, across a widening spectrum of advancing technological disciplines.

Just as the earliest founders of the businesses that today collectively comprise the Group, from James Pain through to Anders Mathisen and Hubert MacKenzie Salmond, had the courage to back their own judgments on likely future developments—although none of them could really see just how changing world events were to shape their companies—so today the International Industrial Group continues to look ahead as far as possible, studying new concepts and defining new products, to meet customer requirements that have probably not yet even emerged.

The essence of success in such a highly competitive business is always to seek to remain ahead of the market, so that nothing that occurs takes one by surprise. With their high concentration of talent, in research, design, development, manufacture and customer support, Graviner and Pains-Wessex are determined to achieve that target.

UK COMPANY NEWS

Argyll on target to achieve £36.5m

WITH PRE-TAX profits emerging at £18.16m for the opening six months Mr James Gulliver, chairman and chief executive of Argyll Group, formed by the recent merger of Argyll Foods and Amalgamated Distilled Products, says he is confident that the full year forecast of £36.5m will be achieved.

He points out that both Argyll Foods and ADP are continuing to trade strongly and that early expectations are of a "satisfactory" Christmas trading period.

The chairman expects Argyll Foods to show some further net margin improvement in the current half year and to see further progress by ADP, particularly in the U.S.

The results of Argyll Group for the six months, to September 30 1983, were based on a combination of the results of Argyll Foods and Amalgamated Distilled Products for the whole period—the merger became effective earlier this month. Also included were the results of Argyll Group, formerly James Gulliver Associates, excluding dividend income.

Comparable results, showing pre-tax profits at £10.04m, were the reported figures of Argyll Foods and ADP for the same period a year earlier. The operating contributions of Argyll Foods and ADP have been included.

Combined group turnover for the half year totalled £697.61m (£595.78m), of which Argyll Foods contributed £577.28m (£542.07m)—the balance came from ADP.

Operating profits, after interest, amounted to £17.95m (£9.11m) with the two companies contributing £13.72m (£9.29m) and £4.41m (£52,000 loss) respectively. Also included was e £175,000 loss (£131,000 loss) from Argyll Group.

Other income added £211,000 (£930,000) to group pre-tax profits. Tax charge rose from £961,000 to £2.9m.

Earnings rose from 4.6p to 7.7p per share and e net interim dividend of 1.75p is declared—Mr Gulliver expects to recommend a final 2.75p.

During the first six months Presto Food Markets increased its turnover by 16 per cent to £270m, representing almost 40 per cent of group turnover. Its profit contribution rose substantially.

Twelve more Presto Food centres will be open by next March and Sir James is fully confident of achieving the target of 20 new openings a year by 1985—at present the group trades from some 138 Presto centres.

Barton Brands, the group's U.S. subsidiary, continued to make good progress, producing operating profits over the half year of £4.22m from turnover of £61.54m. Barton's results were incorporated in ADP'e figures for the half year—it has interests in Scotch whisky and off-licences.

● comment

Argyll will probably come closer to £40m pre-tax this year than the official forecast of £36½m, which drops tha prospective p/e to around 8 et 140p and perhaps nearer to 6 gazing forward into 1984. A low rating, but Mr Gulliver's mercurial rise on the back of quick fire deals has left the market apprehensive of whet comes next. There is a fairly popular view that the Argyll/Amalgamated Distilled Products merger was struck for no other reason than to create a bigger corporate body as e prefece to a major acquisition in the drinks trade—an acquisition that would have been too big for ADP alone. While the Presto supermarkets chain appears to be attracting nseful volume growth it is probably perceived within Argyll as a long-term cash cow whose function is to fund further empire building. Even with the market's caution over companies thet move so quickly, Mr Gulliver has the ebility to pick up badly run businesses and squeeze a respectable return out of them. On that basis the price is too guarded.

Globe's net asset value improves to 287.24p

THE net asset value of each Globe Investment Trust 25p share improved from 269.37p at March 31 to 287.24p basic et September 30 1983. At September 30 1982 the figure was 201.02p.

The six-month increase net of prior charges et market value was from 264.78p to 281.85p. Consolidated net assets attributable to shareholders were £470.5m against £440.9m et March 31.

In August, the company reduced its interest in its largest holding, Mercantile House, by the sale of 3.55m shares at 725p. This realised some £25m of its initial £40m investment.

Earnings ettributsble to shareholders et £6.95m for the first helf, showed en improvement of 11.24 per cent over the comparable period last year.

Its present forecast for the full year is for lower growth in the second half

Earnings per share improved from 3.81p to 4.24p basic, and from 3.77p to 4.17p fully diluted. The interim dividend is raised from 3.55p to 3.75p—last year's total was 8.3p. Dividends absorb £6.14m compared with £5.81m.

The consolidated revenue account shows group pre-tax earnings of £10.91m (£9.75m). Franked investment income was £9.55m (£7.63m); unfranked investment income was £2.94m (same), and other income totalled £1.57m (£2.37m).

At the end of the interim stage investments at middle market price or valuation were £485.95m compared with £460.42m at March 31. These broke down to: listed £408.33m (£382.65m); unlisted £71.68m (£69.46m); investment property £5.95m (£8.31m).

In accordance with its investment objectives, the company is looking to acquire some further large, significant investments, and it will also be considering s further increase in its overseas investments.

Tax cut helps Tricentrol to £16m at nine months

REDUCED TAXES have enabled Tricentrol to show improved net taxed income for the third quarter ended September 30 1983, and to pull up to £16.1m for the first nine months of the year, compared with £16.2m previously.

For the third quarter the income was almost doubled to £12.3m *before taxes, but* came down to £7.3m (£6.1m) after such charges.

Mainly as a result of higher depletion and interest charges, pre-tax profits fell from £35.1m to £31.3m in the nine months on revenues up to £93.8m (£78.6m).

The trend of redocing taxes will continue as Tricentrol's exploration and appraisal drilling programme gathers speed. Opportunities available are expected to reduce Petroleum Revenue Tax to the level of Advanced Petroleum Revenue Tax in the future, but since PRT is allowable in assessing liability to corporation tax, this tax is expected to become payable again. Some £5.3m bas been reserved for in the nine months figures and it is likely that £7m will need to be provided for the year 1983.

Shareholoers' funds at September 30 were £152.1m against £114.5m et the same time last year, *while* borrowings stood et £97.3m.

Mainly as a result of new prodnction coming on stream, oil output in the U.S. almost donbled to an average 1,006 barrels per day. Gas production averaged 14.2m cubic feet per day (13.7m) — market problems continue to plague many of the gas producing areas, but alternative markets have been developed for the Bearpaws gas and increased production started in September.

Oil production in Canada rose to an average of 1,819 bpd (1,490) as a result of heavy demand and new discovery wells coming on stream.

In the UK production from Thistle Field in the third quarter was 10.34m barrels of crude, of which Tricentrol's equity sbsre was 1.02m. Over the comparable 1982 period production was 11.69m barrels, with Tricentrol's share at 1.13m. Buchan production *in the third quarter* was 2.7m barrels, averaging some 29,480 daily. Through August and the first half of September production was depressed because of the closure of two wells.

The recent acquisition for £14m (mostly met by the issue of shares) of the North Sea acreage of Norcen Energy Resources gives Tricentrol the opportunity to tovest in the Amethyst gas field and the Ettrick oil field, and the benefit of an active and highly tax effective exploration and appraisal drilling programme.

See Lex

Oil and Gas Production

Oil and Gas Production has decided to investigate alternatives to maximise the value of the company's shares.

Among alternatives being considered are solicitation of bids for the company's issued share capital or for its underlying assets, which consist of producing oil and gas properties in the U.S.

The Board has decided on this course of ection because it believes that shares are trading at a substantial discount to the realisable value of assets. Goldman, Sachs & Co has been kept as financial advisers

Whitbread Inv.

Taxeble profits of Whitbread Investment Company rose from £2.71m to £2.97m in the six months to September 30 1983.

After tax of £890,572, against £834,874, net profits came out at £2.08m, compared with £1.87m.

The net interim dividend is raised from 1.76p to 1.94p per 25p share—last year's total was 5.35p on £4.91m profits.

Midway surge by Powell Duffryn

A £1.71m increase to £6.83m in the first half profit is described as encouraging by the directors of Powell Duffryn. They feel that the year's result will "not disappoint" although it is possible the rate of improvement so far may not be maintained.

For the six months ended September 30 1983 group turnover came to £278.48m, compared with £285.3m and the trading profit reached £10.49m, against £8.92m. Associates accounted for £45.24m (£41.13m) of turnover and for £1.33m (£833,000) of trading profit.

Engineering profits were £943,000 (£975,000) and includes e "satisfactory contribution" from the newly ecquired Hiller group of the U.S.

Profits from the fuel distribution rose from £1.41m to £1.87m, and the improving trend in construction services bas been maintained with profits ahead from £2.35m to £3.11m.

The profit was struck after interest of £3.66m (£3.8m). Tax takes £1.84m (£1.57m) to leave the net balance at £4.99m (£3.55m), eqnal to 13.7p (10.8p) per share. The interim dividend is lifted from 4.7p to 5p—the previous year's total was 14.25p from pre-tax profits of £12.9m.

The company has a 13.2 per cent investment in IBH Holding AG (book value at September 30 of £14m) which earlier this month applied to the Courts for protection from its creditors. It is expected that a considerable time will elapse before IBH's situation is clarified. However, it is likely that it will become necessary to make provision against this investment in the accounts at March 31 1984 as an extraordinary item.

Any rednction in the value of IBH investment will have no materially edverse impact on the group's liquidity or its existing borrowing facilities.

● comment

At least for the time being, Powell Duffryn seems to have stopped the rot in its engineering division, allowing the signs of better performance—and better housekeeping—elsewhere to show through. Tha rationalisation costs taken below the line at the last year-eod do seem to be yielding some return in the engineering side as well, with some two to three hundred extra jobs elimineted and various units restructured—but caution is in order bere since the net effect so far has only been to get the engineering division back to the 2 per cent operating margin seen in the first balf of 1982. The eventual damage to PD's balance sheet from writing off its investment in IBH could be £14m—to be taken in at the year end—a factor which has not inhibited the group from marginally raising its dividend. The prospective yield of better than 6½ per cent at yesterday's 250p (up 4p), at yesterday'a 250p (up 5p) shows the market's slightly sceptical attitude to e group which has yet to show it can come near to equalling 1980 peak profits of almost £16m before tax.

French Kier profits advance 16%

RECORDS bave been set by French Kier Holdings with a 10 per cent advance in interim turnover to £116m against £107m end a 16 per cent advance in pre-tax profits to £5.65m compared with £4.85m.

Mr J. C. S. Mott, cbairman, says that the value of outstanding work to be completed by the group, e civil engineer, bas been maintained at a satisfactory level, although, be adds, the division betweeo bome and overseas bas moved in favour of the former.

Construction in Europe, be says, has maintained its position in terms of turnover and increased its profits, while construction overseas showed an advance in turnover with maintained profits.

Products and services in aggregate traded at a profit, and Contractors' Scaffolding and Formwork sbowed e markedly improved trading result.

Discussions with the Iraq State Organisation and other government bodies in connection with the Baghdad-Abn Ghraib joint venture contract bave continued constructively. But, be says, it is not considered en appropriate time to revise the views which were expressed in the 1982 annual report, and a subsequent statement released to the Stock Exchange in August.

Thus, the provision which was made in the 1982 group accounts remains unchanged.

The interim dividend is raised by 16 per ceot from 1.25p to 1.45p, and follows a rise in last year's final from 3.15p to 3.6p.

Net profits for the period were £3.1m (£2.67m) after tax of £2.5m (£2.19m). There was an extraordinary credit of £100,000 (£75,000), and after deducting dividend payments of £0.69m (£0.59m) the retained surplus rose from £2.08m to £2.47m.

● comment

It looks as if French Kier has seen the back of its expensive Iraqi misadventure, so the shares rose 5½p to 110p almost in sheer relief. In response to a dearth of high quality overseas contracts—where margins heve slipped slightly to 3 per cent of turnover—tha group is chasing smaller refurbishment and project management contracts in the UK. Of the £300m of orders on the books, £210m are in the UK, with the rest abroad. The split was more like 50-50 a year ego. Meanwhile, cash balances have dropped by £13m sioce the year-end to £19m as the group bas increased investment in property development. Management improvements bave eliminated losses et the scaffolding company, the major feature in the products and services division's swing into £160,000 profit. A full year out-turn of £13.75m pre-tax for the group looks on the cards, which puts the shares on an undemanding multiple of 6.3, assuming a 45 per cent tax charge.

COMPANY NEWS IN BRIEF

In the year to April 30, 1983 textile and clothing manufacturer and distributer, and hand tool importer and distributer Belton Textile Mill Company produced pre-tax profits of £105,000 after e second-half contribution of £51,000. This compares with taxable losses for the previous 12 months of £92,000 including e second-half deficit of £157,000.

There is again no dividend.

* * *

The £10.9m rights issue by C Enterprise Trust has been taken up by shareholders representing over 97 per cent of the equity.

The rights was of combined units—ten new ordinary shares with one Series B warrants attached — at 31p per unit for every 15 ordinary or warrants held.

The combined units not taken up have been sold in the market at a net price of 20.44p. The proceeds will be distributed to entitled investors except that no payment will be made for amounts less than £2.

* * *

West Kent Water company's offer for sale of £1.625m of redeemable preference stock attracted 20 tenders with an average price of £101.04 per cent compared with e minimum price of £99.5 per £100 of stock. The highest price offered was £102 per cent and the lowest price partially accepted was £101.03 per cent.

* * *

Pre-tax profits of Moorgate Mercantile Holdings increased from £230,000 to £330,000 for the six months to September 30, 1983, on turnover of £9.45m, compared with £7.8m.

The net interim dividend is improved from 0.3p to 0.4p per 10p share, to reduce disparity—the directors will consider the final in the light of the full year's results. Last year's final was 0.8p and taxable profits totalled £517,527.

* * *

Yearling bonds totalling £20.05m at 9$\frac{7}{16}$ per cent have been issued this week by the following local authorities:

Aylesbury Vale District Council £1m; Westminster (City of) £1.5m; Merthyr Tydfil Borough Council £0.5m; Bolsover DC £0.3m; Milton Keynes (Borough of) £0.75m; Restormel BC £0.26m; Scunthorpe BC £0.25m; Manchester (City of) £2.25m; Nottingham (City of) £1.5m; Walsall Metropolitan Council £1m; Ealing (London Borough of) £1m; Hillingdon (London Borough of) £1m; Kirkaldy DC £1.5m; Islwyn BC £0.5m; Leeds (City of) £2.5m; Walsall Metropolitan Borough Council £1m; Newcastle-upon-Tyne (City of) £1m; Sheffield (City of) £1m; South Bedfordshire DC £0.25m; South Derbyshire DC £0.25m; Tamworth (Borough of) £0.5m.

* * *

For the first six months of 1983 taxable profits of Channel Tunnel Investments were down from £3,134 to £2,215, end after tax of £840, against £1,263, earnings per 5p share were 0.09p, compared with 0.13p.

* * *

The net asset value per £1 share of the Marine Adventure Sailing Trust rose from 98.5p to 205p in the 12 months to September 30 1983.

Total income for the year was £164,882 which compares with £99,882 for the 14 months to September 30 1982. Interest took £43,597 (£8,619), management expenses £9,770 (£6,960) and charitable donations totalled £101,173 (nil) to leave a pre-tax surplus of £10,342 (£84,303). Tax charge for the year was £2,006 against £38,024.

* * *

Available earnings at Monks Investment Trust expanded from £874,000 to £917,000 for the six months to the end of October 1983. Net asset value per 25p share amounted to 155.6p.

At the end of last April the net value came to 142.7p.

The net interim dividend is held at 1.1p?in the last full year a total of 2.4p was paid.

Earnings per share moved np from 1.13p to 1.18p the directors say thet earnings for the full year may be a little down on last year's 2.24p partly as e result of further purchases of loy-yielding Japanese equities.

* * *

After deducting prior charges et par, the net asset value per 25p share of the Scottish Investment Trust rose by 64.4p to 270p in the 12 months to October 31 1983.

Gross franked investment income was down st £3.54m against £3.78m but gross unfranked investment income was np at £6.38m compared with £4.34m. Gross interest was £2.44m (£0.79m).

Tax absorbed £2.69m (£2.72m) giving an earnings per share value of 4.76p (4.68p). The final dividend is 3p (same) for an unchanged total of 4.7p.

BANK RETURN

	Wednesday November 23 1983		Increase (+) or Decrease (—) for week
BANKING DEPARTMENT			
Liabilities	£		£
Capital	14,553,000		—
Public Deposits	33,933,888	—	3,354,218
Bankers Deposits	592,479,802	—	106,514,897
Reserve and other Accounts	1,720,454,856	+	94,589,652
	2,361,421,556	—	15,279,263
Assets			
Government Securities	363,406,857	—	75,270,000
Advances & other Accounts	868,487,483	—	2,253,364
Premises Equipment & other Secs.	1,116,777,480	+	56,455,069
Notes	12,585,924	+	5,784,712
Coin	164,312	+	6,300
	2,361,421,556	—	15,279,283
ISSUE DEPARTMENT			
Liabilities	£		£
Notes Issued	11,470,000,000	+	80,000,000
In Circulation	11,457,414,076	+	74,215,288
In Banking Department	12,585,924	+	5,784,712
Assets			
Government Debt	11,015,100		—
Other Government Securities	4,035,232,030	+	461,301,604
Other Securities	7,423,752,870	—	381,301,604
	11,470,000,000	+	80,000,000

UK COMPANY NEWS

Boots expands £12.8m halfway

A SHARP RISE of £12.8m to £65.1m has been shown by the Boots Co. for the six months to the end of September 1983. Turnover of this pharmaceuticals and consumer products group expanded from £748.9m to £824m, excluding VAT.

The net interim dividend has been effectively lifted from 1.75p to 2p to reduce disparity in line with the prediction made at the year end and after allowing for a one-for-one scrip. In the last full year a total equivalent to 4.75p was paid.

Halftime earnings per 25p share came to 5.7p compared with an adjusted 4.7p.

Referring to the outlook for the remainder of the financial year, the directors say that while the company has achieved a good first half result and expects to maintain growth in the second half, it will be comparing its results with a more buoyant outturn in the corresponding period last year.

The last full year profits amounted to £140.1m (£120.2m) and the directors expected profitable growth to be maintained in the current year.

HIGHLIGHTS

Lex concentrates on four British companies reporting figures yesterday. Burnett and Hallamshire has turned in profits equal to half those for the comparable period, which is worse than expected even after last month's drastic revision. Tricentrol pushed out its third quarter showing lower earnings, rising debt and the absence of discoveries. On a happier note Boots interim is ahead by a quarter with good rises all round especially from the drugs manufacturing operation. Finally Lex considers the latest from Redland where the profits line is moving ahead strongly on a cyclical recovery and looks set to reach around £90m this year.

For the current year the directors say that much depends on the success of Christmas trading which they say has started well.

In the industrial division, profits were helped by an excellent contribution from Boots Pharmaceuticals Inc. in the U.S., the inclusion of 100 per cent of Laboratios Liade in Spain and by a gain in the translation of foreign earnings. The Optrex business acquired in February 1983, though small in relation to the total, has performed well up to expectations.

Half year results include improved profits from FBC, the former agrochemical associate, the investment in which was sold in September.

In the retail division, a major adverse effect was suffered on turnover and profits due to the clawback of chemists' remuneration by the DHSS following a review of discounts allowed by wholesalers. The estimated total has been fully provided by a charge of £6m against these results.

Excluding this charge, trading profits in the UK rose by 39.3 per cent and turnover increased by 7.7 per cent, real growth being more than 4 per cent.

Overseas retail losses, principally in Canada, were reduced by more than 50 per cent compared with the same period last year and are struck after deducting pre-opening expenses incurred in France.

Extraordinary profit after tax includes a profit of £11m arising from the sale of the group's investment in FBC Holdings for £60m.

A breakdown of pre-tax profits shows: industrial division £31m (£25.8m); share of profit of related companies £2.1m (£1.3m); retail division £22.4m (£19.1m); surplus on disposal of properties £8.7m (£7.6m); interdivisional net interest and unallocated items credit £0.9m (£1.5m debit).

Tax came to £23.2m (£17.9m) and there were extraordinary credits this time of £11.8m. Minorities came to £0.5m (£0.2m) leaving the attributable balance £19m ahead to £53.2m.

See Lex

Redland tops £40m and outlook is 'bright'

IMPROVED RESULTS from the UK, West Germany and the U.S. enabled construction materials group Redland to hoist its pre-tax profits to £40.5m for the 26 weeks ended September 24.

This was an advance of 39 per cent over the £29.1m reported for the opening half of the previous year and was achieved on a 7 per cent increase in turnover to £526.1m, including associates' share.

Trading in the second half is continuing on similar patterns in all three countries and there are also signs of an upturn in Australia.

The directors say that the second half percentage rise in profits may not quite match that of the first six months because the recovery in construction volume began about this time last year.

They add, nonetheless, that prospects for Redland's profits and cash generation, particularly for the overseas activities, "look bright."

Meanwhile, the interim dividend is being stepped up from 2.94p to 3.325p net per 25p share, an increase of 13 per cent—a final of 5.14p was paid for the 1982-83 year when taxable profits totalled £66.3m.

The group results for the past six months also included an "important" contribution from the Redland Worth Corporation.

In the UK profits before tax and interest rose by 14 per cent with all divisions showing improved performances. The better results, however, were partially offset by a significant decrease (from £2.6m to £100,000) in profits from the sale of land. Overseas subsidiaries increased their contribution by 174 per cent.

With an upturn in new housing in West Germany profits of Braas and Company rose strongly. Activities in the U.S. gained from a substantial increase in demand for new housing and highway expenditure but in Australia profits from Monier were lower than last year's levels.

Tax accounted for £17.1m (£12.1m) and earnings rose from 7.9p to 10p per share.

See Lex

Burnett & Hallamshire dives midway to £4.9m

A SETBACK in the property division, with no contribution from California, was largely responsible for a 51 per cent fall in interim pre-tax profits at Burnett & Hallamshire Holdings. Pre-tax profits for the six months to the end of September 1983 fell from an adjusted £10m to £4.93m. This is contrary to the directors' previous expectations of further substantial growth for the current year.

The directors had expected property division profits would be at or above the levels achieved in the year to the end of March 1983—they now say this is not realistic and believe profits for the full year are likely to be "very substantially" below those achieved last year.

In the last full year group pre-tax profits grew from £21.6m to £30m, including £4.16m (£2.74m) profit on sale of fixed assets.

The net interim dividend has ben effectively held at 4p—in the last full year the equivalent of 8.75p was paid after adjusting for a one-for-one scrip. Half-time earnings per 25p share fell from an adjusted 19.8p to 8.5p.

Turnover slipped from £107.34m to £100.17m.

Over the next few months Mr E. Grayson, chairman, says he will be continuing his review of group activities. After a period when the company has expanded dramatically by acquisition, he feels that it is timely to examine corporate strategy in order to maximise profitability from existing resources.

The directors have recently appointed Kleinwort, Benson and James Capel as financial advisors and stockbrokers respectively. Following Mr Helsby's announced resignation as chairman in August, the directors are conducting a review of group management and board structure.

The property division contribution fell from £4.53m to £1.21m—Mr Grayson says he has particularly concentrated his review to this area in recent weeks.

The full year contribution from California is likely to fall because the phasing of the development programme means a gradual profits build up over the next two or three years—unless the company made trading profits by early disposals. It will also fall because Mr Grayson says certain trading opportunities anticipated to arise during this current financial year are unlikely to do so.

He adds that consideration may be given to offers for individual sites before development commences.

The mining division—where profits slipped from £5.43m to £4.86m—is performing satisfactorily says Mr Grayson, considering the more difficult market conditions in which it is operating. The oil division also continues to perform satisfactorily with profits at £231,000 (£208,000).

Construction activities performed well in a market place where order books are difficult to fill. In Iraq all contracts will be completed by the year end. Recently a contract worth £10m has been won in Abu Dhabi.

Pre-tax profits were struck after associate losses expanded from £0.42m to £1.52m. This included pre-tax losses from Rand London Corporation of R3.92m (£2.22m) compared with R3.3m (£1.87m) on turnover of R15.06m (R25.33m). The coal division was hardest hit with depressed markets.

Another associate, Rand London Coal, turned in higher pre-tax losses of R3.47m (R2.4m) on turnover down from R7.4m to R5.93m.

See Lex

Borthwick over budget to £3.8m for year

CONTINUING improvement in the results for the year ended October 2 1983 has been achieved by Thomas Borthwick & Sons, the international meat trading, processing and retailing group. But "the time has not yet arrived" to pay more than a nominal dividend of 0.01p per share in order to retain Trustee status.

On turnover of £540m, against £536m, the year's profit shot up from £358,000 to £3.8m. For the first half the profit was £3.09m and this was thought to be the bulk of the profit for the entire year.

In the event the second half has passed expectations. The position at the interim stage owed much to drought induced activity at the works in Australia. This was followed, as expected, by losses there in the second half.

Beef trading from New Zealand operations produced good profits in the second half which more than offset the earlier losses made on old season's lamb.

Net bank borrowings for the year continued to show a marked improvement, being 18 per cent down on the previous year at £53.3m.

After tax £86,000 (£1.05m), including £98,000 (£1m) overseas charge, minorities £32,000 (loss £222,000) and £606,000 reorganisation costs last time, the net attributable profit came out at £3.75m (loss £1.52m).

● comment

Borthwick warned six months ago that it did not expect to make much in the second half, but its profits were still slightly below expectations, so the shares dropped 2p to 24p. The bulk of the year's £3.4m improvement came from a £3m reduction in interest charges thanks to asset sales, tighter control of working capital and improved cash flow. Borrowings are down from three times to twice net tangible assets, but at £53.5m, there is still a long way to go before debt reaches acceptable levels. Boucheries Bernard was hit by decreased spending power in the French economy, while the UK trading division was afflicted by slack demand for meat in the hot summer. If volumes do pick up significantly, debt may momentarily creep up again to finance working capital increases, but the group is ruling out any call on shareholders until it is sure earnings are on a firm upward trend. For the time being, it expects profits to be no higher in the current year. But without the distortion of last year's Australian drought, same again profits would indicate an underlying improvement.

Renold losses deepen to £2.7m

CONTINUING LOW demand, both at home and abroad, led taxable losses of power transmission products and machinery manufacturer Renold to deepen from £1.03m to £2.7m, in the first half to September 1983. Sales were lower at £61.1m compared with £65.47m.

With losses per £1 share given as 8p (4.4p) the interim dividend is again being missed and the preference payout is also being omitted. No ordinary distribution was made for the previous 12 months when taxable losses of £3.9m were incurred.

The directors say the large losses are in line with their forecast at the time the group's rationalisation programme was announced in June 1983. Implementation of the plan is well advanced they say, and will be substantially complete by the end of the financial year.

They report that, as stated in the annual report, the benefits will not become apparent until the next financial year but they expect the losses for 1983-84 to "show a noticeable reduction on the previous year."

The cash position has improved in the first half, primarily as a result of reductions in stocks and working capital. Borrowings at the year end will be substantially lower than in March 1983.

First half trading profits fell from £2.4m to £198,000—after losses incurred by the UK subsidiaries surged from £159,000 to £1.55m—while interest charges were cut from £3.44m to £2.9m.

Overseas tax took £486,000 (£700,000) leaving net losses of £3.19m (£1.73m) and after minority credits of £24,000 (£20,000) the attributable losses emerged at £3.21m (£1.77m following preference dividends of £12,000).

Rotaprint loss

Higher turnover, mostly from exports, has not been sufficient at Rotaprint to offset first half costs incurred in new machine development, improvements to existing products and the launch of new factored consumable products.

As a result, pre-tax losses increased from £35,000 to £165,000 in the half-year to October 1 1983. Sales of this printing equipment manufacturer rose from £6.51m to £7.39m.

There was a trading loss of £65,000 against profits of £109,000. Bank interest charges were down from £144,000 to £100,000. After tax up from £2,000 to £6,000, there was an attributable loss of £171,000 (£163,000) (including an extraordinary debit of £146,000).

The directors consider it prudent to delay payment on the 11½ per cent cumulative preference dividend due on October 1 1983 and they do not propose an interim dividend. They say the 6¼ per cent preference share dividend due on September 30 1983 places only a small burden upon resources and will be paid on December 5.

Trebled interim profits at Extel

TREBLED PROFITS before tax of £5.16m, against £1.57m, were achieved by the Extel Group in the six months to September 30 1983. The results include a first contribution from Benn Brothers, acquired in June, of £446,000 compared with £260,000.

Turnover increased to £69.61m (£57.89m). For the year to last March pre-tax profits totalled £6.03m with turnover at £125.84m.

Mr Alan Brooker, chairman and chief executive, reports: "The dramatic improvement in profits compared with last year is mainly due to a half year of high activity in the financial and commercial printing markets served by Burrups Printing Group and further rapid progress by Digital Microsystems in America and the UK.

"Elsewhere, benefits arose from the first contribution of Benn Brothers and from the extension of interest, announced earlier in the year, in the provision of sports news services.

"In the last few months the group has disposed of Robophone and its 45 per cent interest in Transtel. It was decided to sell because the directors believed the proceeds could be more profitably employed in other parts of the group."

He adds, "In October the company acquired 75 per cent of MGE, a company supplying software packages and computer systems mainly for use by accountants, thus increasing the group's business in the computer services field."

Looking ahead, he says: "At the end of the year we expect to be able to report continued progress throughout the group."

The interim dividend is being stepped up by 20 per cent to 3p net on the enlarged share capital—last year's final payment was 1p higher at 7.5p.

Pre-tax profits were struck before interest of £177,000 (£171,000). Tax took £2.24m (£0.65m), minorities £0.41m (£0.1m) to leave an attributable surplus of £2.51m (£0.83m). Earnings per share were 14.3p (4.6p).

● comment

All these takeovers, rights issues and offers for sale have done wonders for Extel, whose Burrups subsidiary has half the market for printing the "bumf" which goes with such things. The upturn from this division was bettered only by Digital Microsystems, whose HiNet System—a local area system for microcomputers—was set up in the UK a year ago, and started to make big money in the last six months. Ben Brothers—consolidated for six months, though actually in for only three—is another bonus, though its 75 per cent profit increase is rather put in the shade by events elsewhere. For the last three months, too, the sports service was 100 per cent consolidated, after the buy-out from the Press Association. A total of £9½m pre-tax looks on for the full year, for a prospective multiple of 16 on the price of 418p, up 50p yesterday. On a maintained dividend increase, the yield would be 4 per cent—maybe a touch demanding.

Brockhouse second half in profit

A RETURN to profits of £113,000 in the second half at Brockhouse has helped reduce pre-tax losses from £1.57m to £682,000 for the year to the end of September 1983. However, the directors say that the second half recovery was weaker and slower than expected.

Pre-tax losses were struck after a fall of £500,000 in interest payments to £1.94m.

The comparable second half showed losses of £754,000.

Turnover for the year of this engineering, transport, and building group expanded from £63.9m to £66.06m.

The directors say that results do not justify a dividend, but they are maintaining the net payment at 0.1p. Losses per 25p share fell from 14.46p to 10.77p.

The directors say there has been a slow but patchy improvement at home since April. The current position is generally static following a levelling-off in August. The steel re-rolling division had a poor year with some improvement of late.

Transmissions experienced improving demand but is still suffering heavy pre-production tooling costs for new models.

The foundries and forge division showed losses for the year but the improving trend in second half is being maintained.

Process plant and equipment had an excellent year and the good performance is continuing.

Overseas interests produced good results. Canada felt the recession most, say the directors, but is recovering quicker than expected.

The slow recovery in the second half accelerated certain restructuring plans with a resulting cost penalty.

Tax came to £1.15m (£888,000) and minorities accounted for £13,000 (£7,000). Extraordinary debits of £261,000 (£370,000) were due to closure and restructuring costs.

Forshaws Burtonwood

Forshaws Burtonwood Brewery is lifting its interim dividend from 2.04p to 2.5p net in respect of the year ending March 31 1984. Net profit fell from £639,000 to £590,000 in the first half to September 24.

Turnover came to £10.78m (£9.93m) and the profit was £1.23m (£1.33m) subject to tax of £639,000 (£692,000). In the full 1982-83 year profit before tax came to £2.76m and the dividend total was 6.625p.

London & Edinburgh tender offer to raise £7.5m

Barclays Merchant Bank publishes the prospectus today of the offer for sale by tender of 5,615,000 ordinary shares of 10p each of London and Edinburgh Trust at a minimum price of 150p per share.

LET develops business parks and commercial and retail properties in London and the South-east England, limiting risk by arranging comprehensive funding packages with institutions. It is seeking a full quotation for all its shares.

The company will raise £7.5m through the issue of 5m new shares.

Net assets per share, adjusted for the new issue, are 82p according to the prospectus. The prospective p/e on an estimated effective tax charge is 9.4.

● comment

London and Edinburgh Trust's well heralded arrival on the Stock Exchange is expected to attract considerable institutional interest, and should benefit from the increased activity in the property sector of recent weeks. The tender method has been chosen because Barclays thinks LET is unique and should be rated somewhere between a property company and a direct fund. A premium of between 10p and 15p above the 150p minimum tender price should meet the requirement. LET's unusual joint ventures with Balfour Beatty and Tarmac and more recently on specific projects with S. & W. Berisford and Guinness Peat Property, has allowed the company to continue to develop new properties when other companies moved almost completely into investment. (Though LET does have a £16.5m investment portfolio

Hanover

INCLUDING A first time contribution from estate agents Druce and Co., which was well ahead of expectations, pre-tax profits of Hanover Investments (Holdings) more than doubled from £101,000 to £206,000 for the six months ended August 31 1983.

The interim dividend is being lifted from 0.7p to 0.77p net on the enlarged share capital.

Earnings emerged at 3.02p (1.67p)—pre-tax profits for the whole of the 1982-83 year totalled £175,000.

Warnford Invsts.

Pre-tax revenue at Warnford Investments, property investment company, rose from £1.8m to £1.95m in the six months to June 24 1983. The interim dividend is raised from 5.5p to 6p net—last year a total of 12.5p was paid.

Gross rents and service charges totalled £2.47m compared with £2.15m. First half tax was up from £873,000 to £921,000, leaving atributable of £1.03m (£922,000). Earnings per 20p share improved from 9.61p to 10.72p.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Argyll Group	int.	1.75	Jan 20	—	—	—
Boots Co	int.	2	Jan 11	1.75*	—	4.75*
Thos Borthwick		0.01	Jan 20	nil	0.01	nil
Brockhouse		0.1	Feb 17	0.1	0.1	0.1
Burnett & Hlmshre	int.	4	Jan 20	4*	—	8.75*
Castlefield (Klang)		10§	Jan 6	10	14	24§
Extel Group	int.	3†	Jan 6	2.5	—	10
Forshaws Burtwd	int.	2.5	—	2.04	—	6.63
French Kier	int.	1.45	Jan 5	1.25	—	4.85
Fulcrum Tst	sec. int.	2.9¶	Dec 31	2.65	5	4.75
Globe Invst	int.	3.75	Feb 24	3.55	—	8.3
Hanover Invsts	int.	0.77	Jan 6	0.7	—	1.85
Higsons Brewery		3.05	—	2.9	3.45	3.3
Killinghall Rbr		8	Jan 6	8	27.5‖	10
Thomas Locker	int.	0.38	Jan 4	0.38	—	1.3
Norton Opax	int.	1	Feb 3	0.67*	—	2.17*
Powell Duffryn	int.	5	Jan 6	4.7	—	14.25
Redland	int.	3.33	Jan 23	2.94	—	8.08
Scottish Cities		9.5	Jan 4	8.5	13.5	12.5
Scottish Inv Tst		3	—	3	4.7	4.7
Warnford Inv	int.	6	April 10	5.5	—	12.5

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § A special of 10p also proposed. ¶ In lieu of final. ‖ Including special 17.5p.

BOARD MEETINGS

TODAY

Interims: Aeronautical and General Instruments, West Bromwich Spring.
Finals: Saga Holidays, Tomkinsons.

FUTURE DATES

Interims—

Atkins Bros. (Hosiery)	Dec 5
Baker Perkins	Dec 12
Blyvooruitzicht Gold Mining	Dec 12
British Tar Products	Dec 8
Century Oils	Nov 29
Coalite	Dec 6
Equity Consort Invest. Trust	Dec 7
O.B. Papers	Nov 28
Imperial Continental Gas	Dec 13
Lennons	Dec 8
Marshalls Halifax	Nov 28
Toothill (R. W.)	Dec 6
Unigate	Dec 16
Utd. Computer and Technology	Nov 30

Finals—

Dubilier	Dec 6
Durban Roodepoort Deep	Dec 12
East Rand Proprietary Mines	Dec 12

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UK COMPANY NEWS

MINING NEWS

Anglo now faces a less prosperous second half

BY KENNETH MARSTON, MINING EDITOR

RESULTS for the first half of the financial year to next March from South Africa's Anglo American Corporation mining and industrial finance group show a useful increase over those of the same period of last year, but the signs for the second half are less propitious.

In the latest six months to September 30, attributable profits before extraordinary items have risen 6.8 per cent to R330.5m (£186.7m) from R309.4m in the same period of 1982.

Adding in an—unexplained—extraordinary credit on the latest occasion of R9m, against a debit a year ago of R4.1m, gives a half-year earnings total of R339.5m against R305.3m. Earnings for the full year to last September amounted to R630.4m after extraordinary debits of R14.1m.

Angle is declaring a maintained, and well covered, interim dividend of 35 cents; the previous year's final was 75 cents.

	Six months ended 30.9.83	30.9.82
	R m	
Dividends from assocs.	158.9	132.1
Dividends from general		
Divs. from gen. investe	69.7	47.7
Interest and fees	96.5	93.9
Trading profits	140.0	138.9
Surplus co realism. of investments	3.5	14.8
Surplus from life assur.	6.0	4.5
Income from subsids. not consolidated	—	2.1
Making	471.6	432.0
Interest paid	95.5	88.7
Prospecting costs	28.6	21.1
Profit before tax	349.6	322.8
Taxation	59.4	57.9
Profit after tax	290.2	264.9
Outside holders'	46.6	48.1
Prefd. stock and pref. share dividends	2.2	2.2
Attrib. (befom share of retained profits of associates retained profits)	241.4	214.5
Share of retd. profits of assoc. companies	89.1	94.8
Profit before extraord. items	330.5	309.4
Extraordinary items	9.0	4.1
Ordinary dividends	79.5	79.4

Dividend income in the first half has been boosted by the gold investments together with two dividends received from Rustenburg Platinum Holdings as a result of the latter's change in its annual accounting period to June 30 from August 31.

Increased earnings at Angle American Properties have offset a fall at Anglo American Coal Corporation to leave a net improvement in group trading profits.

On the ether side of the coin, share dealing profits have dwindled from those ef a year ago and higher interest rates in South Africa have lifted the group's own interest payments.

Uranium problem for TCL

THE FUTURE of by-product uranium production from South Africa's Harmony and Blyvooruitzicht gold mines has been called into question by Mr R. S. Lawrence, chairman of the holding company Transvaal Consolidated Land (TCL).

Mr Lawrence said in his latest annual statement that uranium production will continue in the year ahead, but lower profits are expected.

He added: "In the light of unexciting prices and estimated future production costs, their roles as uranium producers will have to be reassessed."

The group has several other problems at present. The gold mines are running at er near full capacity, so that the scope for further reductions in working costs is restricted, and there are alse fears that the continuing drought conditions might cause reductions in electricity supplies.

Apart from that, lower contributions are expected from the important coal interests and the chrome operations.

Mr Lawrence concleded by warning shareholders that the increasingly volatile conditiens under which TCL operates may have to be taken into account when dividends are considered.

This, be said, means that dividend payments may have to fluctuate in sympathy with the changes in the fortunes of the various group operations and the need to fund capital expenditure commitments.

Bula Mines more optimistic

AFTER a 10-year battle, Bula Mines of Ireland now believes that it may be able to bring its lead-zinc orebody et Navan, County Meath, into production.

The company has at last been granted planning permission to develop the deposit, of which Bula owns part, and believes it can secure refinancing to support a development programme which is expected to cost I£60m (£47m), reports Brendan Keenan in Dublin.

However, the planning permission covers underground mining only, and some observers doubt the viability of the deposit if it cannot be exploited by an open-pit operation.

Bula recently agreed to pay I£4m which it owes to the Northern Bank Finance Corporation, a subsidiary of Midland Bank, by next February, and its total debts are thought to exceed I£10m.

The planning permission may ease the company's problems, but its success will depend on the strength of metal prices after 1986, when the mine could be expected to come into production.

Mr Michael Wymes, managing director, believes that metal markets have turned the corner, and that the mine would be profitable.

The bulk of the Navan orebody belongs to Tara Mines, which itself has debts of I£92m. The Irish Government, which owns 49 per cent of Bula, would prefer to see an agreement between the twa companies under which the orebody would be mined by a single eperator, but Tara would apparently only be interested in a straightforward takeover of Bula without its liabilities.

MINING NEWS IN BRIEF

THE RESOLUTIONS necessary to complete the issue of 1.4m new shares of the London-registered Hampton Gold Mining Areas were approved overwhelmingly at yesterday's extraordinary meeting.

This means that Hampton Areas has new completed the £5m fundraising to buy into gold mining joint ventures with Centennial Gold and Marathon Gold in Colorado. The shares rose 8p to 205p in London yesterday.

* * *

The South African supreme court has confirmed the proposed reduction of capital at South Africa's Vlakfontein gold producer in the Gold Fields of South Africa group.

The nominal value of the shares has accordingly been reduced from 70 cents (39.5p) to 50 cents, and the difference of 20 cents will be paid to shareholders on or about February 7 next year.

The repayment of capital will not be taxable to South African residents, and will suffer neither South African non-resident shareholders' tax nor UK income tax.

The shares rose 4p to 174p in London last night.

* * *

CRA, the Australian arm of the Rio Tinto-Zinc group, hopes to diversify into advanced industrial ceramic products by setting up a new company Nilcra Ceramics in partnership with Oliver J. Nilsen (Australia).

The principal product will be known as partially stabilised zirconia (PSZ), which the partners say is the toughest ceramic yet developed for industry. Main uses are in the engineering, automotive and aerospace industries.

APPOINTMENTS

Trafalgar House chief executive

Mr Eric Parker has been formally appointed as chief executive of TRAFALGAR HOUSE, the shipping, construction and energy group which, given clearance by the Monopolies Commission, is expected to mount a new bid for Peninsular & Oriental Steam Navigation early next year.

The post has been vacant since March when Lord Matthews resigned as chief executive in order te concentrate his interests on Fleet Holdings, the newspaper and publishing group. Mr Parker, who joined Trafalgar in 1965, assumed the chief executive's role in additien to his responsibilities as group managing director and it has now been decided to merge the two posts.

A chartered accountant by training, Mr Parker was appointed director of finance and administration in 1969 and was made managing director eight years later.

*

Following the retirement of Mr R. Collingwood in September, H. SAMUEL has appointed Mr A. S. Edgar as chairman. He is the son of fermer chairman and managing director, Mr R. R. S. Edgar and is a great grandson of Harriet Samnel, founder of H. Samnel. Mr Keith Tamlin, vice president of the Liverpool Law Society, has been appointed a non-executive director.

*

WEEKS ASSOCIATES has appointed two directors te the group board. Mr Kenneth Tong, managing director of the group's specialist agricultural machinery subsidiary, will have particular responsibility for group strategy in the agricultural eperations. Mr David Emmet, managing director ef the industrial products distributien subsidiary, will have special responsibility for develeping tha group's distribution activities.

*

Buying chief at Woolworth

Mr Richard Bettinson is to join F. W. WOOLWORTH on December 1 as head of the buying division of food, wines and spirits, tobacco, toiletries and all other fast moving consumer goods. He was until this appointment buying director of Keymarkets.

*

After serving as group secretary (designate) since joining HENRY BOOT in 1982, Mr Peter Hawley has now been appointed group secretary and company secretary to the parent company beard on the retirement of Mr Bert Marsh. Prior to joining Henry Boot he was secretary of the National Building Agency.

*

WESTLAND ENGINEERS, garage door manufacturer, has appointed Mr Paul Lovell as sales director from December 1. Formerly general sales manager, be has been with Westland Engineers since 1977 and joined the Westland Group in 1961.

*

First Chicago Bank makes changes

The FIRST NATIONAL BANK OF CHICAGO has reorientated the international capital markets group of its financial prodncts department. The group continues under the direction of Mr William G. Curran, Jr., senior vice president, responsible for the merchant banking activities of First Chicago.

Mr Peter J. Donald, vice president and managing director, Global Securities, will remain in London where be will have responsibility for securities activities worldwide. Mr Donald was previously head of the internationl corporate finance division. Mr Thomas H. Hodges, vice president and managing director finance and administration for the group, will be based in London. He was division head, corporate finance, and president, First Chicago Leasing Corporation in Chicago. Mr Ronald Enestrom, vice president and managing director fer Asia, will assume responsibility for continuing the development of merchant banking business in Asia.

Mr Michael H. Meissner, vice president and managing director of Europe, Middle East and Africa, will be based in London, with responsibility for marketing and business development. Mr Samuel A. Yohai, vice president and manging directer of Latin America and Canada, will be based in Chicago. Mr Yehai previously served as senior partner and director of Leslie, Weinert and Yehai, Inc.

Unilever NV to have new chairman

Mr H. F. van den Hoven is to retire as chairman of UNILEVER NV and vice-chairman of Unilever plc at the annual meetings in May. Mr F. A. Maljers is to succeed him as chairman of Unilever NV and as a vice-chairman of Unilever plc. He has been a director since 1974. Mr M. R. Angus, currently the Unilever director with special responsibility for North America, is to be a vice-chairman of Unilever plc and a member of tha three-man chief executive. Mr M. Tabaksblat, currently chairman of Lever Sunlight BV in the Netherlands, becomes a director of both narent companies. Mr J. D. Keir, a jeint secretary of Unilever plc and Unilever NV, will retire at the annual meetings in 1984. Mr M. D. Snoxall, at present bead of legal services, Unilever plc, will be sppointed a joint secretary of Unilever plc and Unilever NV in succession to Mr Keir.

Mystery approach could lead to offer for Francis Parker

BY RAY MAUGHAN

A BID may be on the way for *Francis Parker*, the building materials and services and property development group. The board, headed by Mr Robert Francis, announced yesterday that one of its major shareholders bad received an approach which could lead to a full offer for the eotire share capital.

The statement was prompted lergely by an intermittent share price flurry which had lifted the price since the middle of last week from 36p to 51p at last night's close, for a gain of 11p on the day. At this price, Francis Parker is capitalised at just over £13m.

The group, which has been the subject of periodic bouts of bid speculation in the past, sells building products and provides services across a broad spectrum of construction industry requirements and, after several difficult years, its profits have begun to recover quickly.

Helped by the debt reduction ensuing from the sale of its Southern Land subsidiary last year and a pronounced rise in housebuilding activity, half-time profits climbed from £245,000 to £505,000.

For the full 1983 year the board has been looking for a substantial increase in profits—lasl year it produced £784,000 before tax.

Major shareholders include Investors in Industry, which has recently cut its slake from 19.5 to 16.4 per cent, Electra Investment Trust, which has a 7.3 per cent holding, and M and G Investment Management, whlcb is thought to control an aggregate of about 9 per cent in various funds.

However, the chairman, wbo holds 20 per cent, is believed to have received the approacb although this has not yet been confirmed by the group's financiel advisers, Noble Grossart, its broker, Fielding Newsom-Smith.

Harvard withdraws share offer

Harvard Securities, the licensed dealer, bas withdrawn the proposed offer for sale of £3.5m worth of shares of Petroleum Mining Company because of the disappointing response.

Petroleum Mining, which proposes to "mine" oil using underground sbafts drilled below the oil-bearing rock in Loulsiena, planned to offer 5m 70p sbares. Each share carried a warrant for a further share at 87.5p.

The shares would bave been traded on the over-the-counter market made by Harvard and several other licensed dealers.

Scottish Cities Tst.

Net profits of the Scottish Cities Investment Trust moved ahead from £476,395 to £482,830 in the year to September 30 1983, equivalent to a rise from 14.2p to 14.4p per 25p share.

Net asset value was 463p at year end, and 485p at November 24 last.

The year's dividend is being lifted to 13.5p net, compared with 12.5p, by an increased final of 9.5p (8.5p).

TR unravels another trust cross-holding

BY CHARLES BATCHELOR

Touche Remnant, the UK fund management group, took a further step yesterday towards unravelling the cross-holdings Property Investment Trust, with

TR Industrial and General Trust, the group's biggest fund with £350m under management, pleced its largest single holding, a £13.8m stake in the £58m TR Property Investment Trust ,with ebout 20 institutions.

Stockbrokers De Zoete and Bevan made the placing at a special ex-dividend price of 106p per share compared with Wednesday's closing middle market cum dividend price of 113p.

Toucbe, wbich bas nearly £2bn under management, is now more than halfway through its programme of eliminating cross-holdings started about 18 months ago. Six of its trusts bave 15 boldiogs worth about £25m which still have to be unravelled.

Initial purchase

Initial textile rental and enviroomental care group, bas acquired commercial and industrial security specialists, Arrow Security Systems as part of its policy of diversifying into additional areas of service to industry.

Initial has bought 90 per cent of the business for £450,000, including subscription of additional share capital, with the other 10 per cent being kept by the founder and vendor, Mr Ron Sutcliffe.

Arrow specialises in "Slow-Scan" long-range television surveillance systems. CCTV and alerms together with process mooitoring.

Initial intends to support Arrow's expansion in the area of high technology labour saving security and safety systems.

Wheeler's

Acceptances for the offer by **Kennedy Brookes** for **Wheeler's Restaurants** have been received in respect of 1.48m ordinary sbares, equivalent to 98.73 per cent of the capital. The offer has been extended until 3.30 pm on December 21.

National Coal Board sells 30% Associated Heat shareholding

BY MAURICE SAMUELSON

The National Coal Board (NCB) has sold its 30 per cent stake lo **Associated Heat Services** (AHS), whicb it belped to form in 1966 and which acquired a Stock Exchange listing in May 1982.

The NCB yesterday denied that it had been pressed to do so by the Government and called it "a one-off decision."

However, it is clearly in line with the Government's policy that publicly owned industries should hive off interests peripheral to their main activities and which could bs successfully managed in the private sector.

The NCB sold its 2.4m ordinary AHS shares yesterday, which were placed on tha market by S. G. Warburg at a price of 3.12p per sbare. About two-thirds of the shares went to new rather than existing shareholders.

One of the NCB's other ancillary companies J. H. Sankey and Son, a beating equipment and building materials supplier, could one day be a candidate for disposal. NCB's holding in this company, which incurred an operating loss last year of £1.3m, is 60 per cent.

The NCB said yesterday that, as one of AHS's founders, it was pleased at its success and expected it to continne. "As the company's business is outside the NCB's main ectivity, the NCB feel that now is an appropriate time to dispose of its sharehuldings," it said.

The company's two NCB directors, Mr Donald Davies and Mr James Cowan, are to leava the AHS board, although ex-NCB chairman Lord Ezra will remain as chairman of AHS.

According to Mr Alan Tweedale, AHS's managing director, the success of the company means that the original financial reason for tha NCB'a stake in creating it is no longer valid. In its last financial year AHS made a *pre-tax* profit of £3.3m, on turnovar exceeding £35m.

AHS acts as a contractor to operate heating plant on about 2,000 sites throughout the UK. About 45 per cent of the monay it spends is related to coal burning and this year more than three-quarters of its new business is with customers switching in coal from oil and gas.

However, not all AHS's customers use NCB coal, and it also assists companies burning other fuels.

Mr Tweedale said that *although* AHS operated independently from the Coal Board, the sale of the Board's shares in it would enhance AHS's reputation in its "customers' eyes."

Hogg Robinson expansion

BY DAVID DODWELL

Hogg Robinson Travel, the wholly owned subsidiary of the Hogg Robinson insurance group, yesterday confirmed that it had purchased **Wakefield Fortune Travel**, the loss-making UK travel agency owned by Holland America Line.

Hogg Robinson is paying a mere £1.83m for Wakefield Fortune's 93 travel shops, which in 1982 generated a turnover of almost £90m. The low price tag is the product of four months of hard bargaining, and is indicative of the urgency with which the hard pressed Holland America Line needed to dispose of the business.

HAL recently revealed losses for the first six months of 1983 of $16.8m (£11.2m). This compared with losses for the equivalent period in 1982 of $2.33m, and prompted the company to "take necessary steps" to sell "certain assets."

Mr Brian Perry, managing director of Hogg Robinson Travel, said yesterday that the acquisition would give the group a nationwide coverage, with 189 outlets in a total of more than 100 towns.

He said Wakefield Fortune made losses before tax in 1982 of £1.7m and he did not expect the company to return to profits until the end of 1984.

The acquisition will correct a strong southern bias in Hogg Robinson's operations.

Unlike Wakefield Fortune, however, Hogg Robinson remains in profit. Mr Perry said tha group made a pre-tax profit of £560,000 in the year to March 31 1983 after losses attributable to recently acquired companies were taken into account. In the previous year, profits stood at about £1.5m, and it is thought that profits will rise above £2m in the current year.

Hogg Robinson now stands as the UK's second largest travel agency group in turnover terms with current annual sales of about £250m for the combined group.

Tecalemit urges rejection

SHAREHOLDERS in **Tecalemit** will today be sent full details of the garage equipment board's defence of the £18.3m bid from **Siebe Gorman**, before the offer reaches its final closing date on December 2, but in the meantime, they are strongly advised *to reject the terms or to withdraw* any earlier acceptances.

Tecalemit considers that tha final offer does not reflects its "substantial profit recovery or forecast increased dividends." Siebe's offer "also represents a significant discount on asset value" and accepting shareholders of the all share offer would suffer "a substantial decrease in annual dividend income."

Siebe, the protective clothing and safety equipment manufacturer, took its £18.3m contested bid for Tecalemit further forward when it acquired another 1m shares in the garage equipment group.

The shares were picked up at 50½p which equates with the 49.5p per share cash alternative and the interim dividend which accepting Tecalemit shareholders will keep.

Tha shares were acquired half from an undisclosed nominee holder and half piecemeal in the market. This addition means that Siebe can now speak for 19.7 per cent of Tecalemit's equity. The offer reaches its final closing date on December 2.

DoT consent expected for Allianz

THE Department of Trade and Industry was reaching its conclusions yesterday on the change of ownership by Eagle Star to Allianz Versicherung, West Germany's largest insurer.

Under insurance legislation the new management of a British insurance group has to be approved by the DoT before a deal can go ahead. The DoT has no objection to Allianz taking over Eagle Star and the only member of the Allianz board who needed final approval was Dr Wolfgang Schieren, chairman of the management board.

Consent is expected to be given and no objections raised by the DoT which will leave Allianz free to make its next strike in the takeover hattle for Eagle.

Tha £692m offer from Allianz has already been extended until 3 pm today and it is expected to make an offer exceeding the agreed £796m bid by BAT Industries.

Transvaal Consolidated Land and Exploration Company, Limited

Abridged

Chairman's statement

for the year ended 30th September, 1983

(Incorporated in the Republic of South Africa)

A Member of the Barlow Rand Group

When viewed against the background of the deepest recession in the last half century, your company's 24 per cent increase in earnings per share must be cause for satisfaction.

When viewed against the background of the deepest recession experienced by the world's industrialised countries and by South Africa in the last half century, your company's 24 per cent increase in eamings per share to 782 cents for the financial year ended 30th September, 1983 must be cause for satisfaction. It was possible to raise total dividends for the year by 20 cents to 280 cents par share.

The reasons for your company's Improved performance lie mainly in two areas. First, the company acquired the mining related business of Rand Mines, Limited, with effact from 1st January, 1983, in exchange for the issue and allotment of 2 580 000 fully paid shares. The technical, administrative and financial services formerly provided by Rand Mines are now provided by the company's wholly-owned subsidiary, Rand Mines (Mining & Services) Limited. Included in the acquisition was a portfolio of shares, mainly In tha company's associated gold and uranium mining companies, and additional shares in its listed coal mining subsidiaries. The gain to the group from the provision of these services to the company's associated and subsidiary companies end from the receipt of additional income and dividends during the nine months to 30th September, 1983 was R15,3 million. Secondly, the average gold price realised by producers in rand terms was considerably higher than in the previous year. Dividends received in respect of tha group'a gold Interests, other than those acquired from Rand Mines during the year, rose by R5,8 million or some 43 per cent.

Consolidated profit attributable to mambers increased by 52 per cant to R82,6 million.

Gold and urenium

Domination of the gold price by economic and financial considerations continued during the year. It confirmed a major structural change in gold markets. Price movemants were exaggerated by short term speculation and forward covering. Interest in gold as a store of value was limiled and demand for industrial and fabrication purposes waned.

In the first five months of the year, the gold price showed an upward trend but poor physical demand for gold and bearish chart indications, together with extensiva stop-loss selling by speculators shortly before mid-year depressed the price.

The uranium market is still auffering from an excess of supply ovar demand.

In the four quartars ended 30th Septamber, 1983, the company's associated gold and urenium producers again increased their tonnage of ore milled. Despite a fall in tha averege grade, the quantity of gold despatched rose marginally over that for the previous four quarters. Production of uranium oxide was slightly higher than in tha *previous year. Revenue rose as e result of enhanced receipts* from gold sales. Although costs rose, productivity was again improved and the increase in working costs per ton milled was well contained. Total profits of tha four associated mining companies available for appropriation rose from R194 million to R252 million. Work was resumed on tha ventilation shaft in the twin shaft complex at Harmony but capital expenditure on Durban Roodepoort Deep and East Rand Proprietary Mines was curtailed. Total capital expenditure on these four mines was considerebly lower than in the previous twelve months.

The plant et Crown Mines which recovers gold from sand dumps and slimes dams was commissioned early in tha year. Commissioning problems proved to be more intrectable than had been expected and operating costs were edversely affected as a result. Despite good head grades, the tonnage of material treated, plant efficiencies and gold production fell short of expectations. However, working profits were realised throughout the year. Shortly before mid-year the operation began to eam profits after interest and amortisation. Estimates of lhe time required to commission a major plant incorporating much new technology proved to be too optimistic. Although some difficultiea have yet to be overcome, there are good indications that in the year ahead the plant should be abla to treat the planned 4,4 million tons of material at 70 par cent efficiency or better.

Coal

Local demand was adversely affected by a further decline in economic activity and the tonnage of coal sold to inland consumers fell slightly. Tha drought caused the Electricity Supply Commission – a very large consumer – to suspend or restrict operations at certain of its power stations. However, at Duvha power station, which is more water efficient than *some of the others, the fifth generating set* was commissioned during the year and the tonnage of coal sold by the Duvha opencast mine was higher than had been expected.

The increases in the pithead prica of coal granted by the governmant were lower than the rate of inflation by an even wider margin than has been experienced in recent years.

In the international market, thare was a further decline in demand as users lowered their stock levels and adopted energy conservation measures. With a surplus of coal availabla throughout the world, and intense competition among suppliers, many consumers have daferred shipments and renegotiated contracts. The sharp fall in prices was in the case of the company'a subsidiaries to soma extent mitigated by the weakness of tha rand and the effects of favourable exchange ratas nagotialed in terms of forward cover contracts.

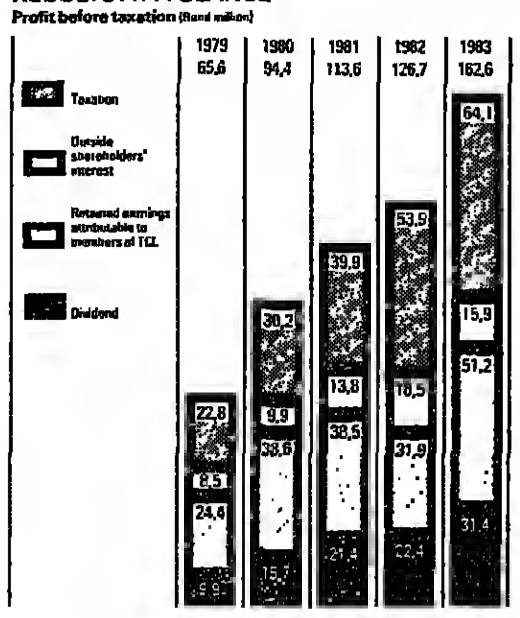
Overall, the lonnage of coal sold by the group increased marginally with a small contribution being made for the first time by tha Middelburg mina in which the group has a five per cent interest.

FEATURES OF THE GROUP RESULTS

	1979 R000's	1980 R000's	1981 R000's	1982 R000's	1983 R000's
Turnover	207 420	289 013	379 980	423 820	**496 496**
Profit before taxation	65 565	94 410	113 603	126 364	**162 588**
Taxation	22 780	30 245	39 859	53 857	**64 055**
Normal	15 179	16 202	2 929	5 053	**12 987**
Deferred	7 601	14 043	36 930	48 804	**51 068**
Outside shareholders' interests	8 455	9 881	13 776	18 460	**15 871**
Profil aftar taxation and outside shareholders' interests	34 330	54 284	59 968	54 347	**82 662**
Eamings per share	470 cents	743 cents	785 cents	630 cents	**782 cents**
Dividends per share	135 cents	215 cents	260 cents	260 cents	**280 cents**
Dividend cover	3,48	3,46	3,02	2,42	**2,79**
Nat asset value per share	2 373 cents	4 684 cents	3 855 cents	3 993 cents	**4 481 cents**

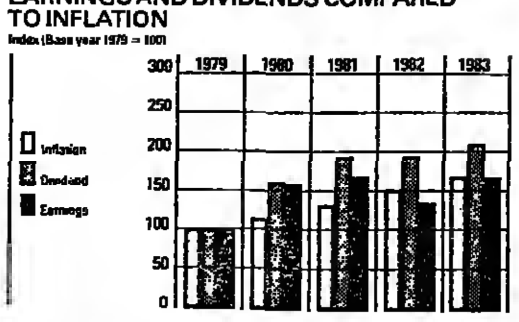
RESULTS AT A GLANCE

Profit before taxation (Rand million)



EARNINGS AND DIVIDENDS COMPARED TO INFLATION

Index (Base year 1979 = 100)



The attributable profit ariaing from coal mining increased alightly whan compared with the preceding year.

Base minerals

Chroma ore markets remained weak. However, the sales volumes of the group's mines improved slightly as a result of locel ferrochrome producers increasing their offtake. The declina in the export market continued during the year.

Foraign and South African producers of chrome ore remained in fiarca competition for market share in circumstances where worldwide demand was significantly reduced. Thia resulted in a further reduction in export prices.

A further rationalisation of production of chroma ore was undertaken on the group's mines in tha light of prevailing market conditions. Production ceased at tha and of March, 1983 at Millsell, one of the group's mines near Rustenburg which produces sophiaticatad chrome ore grades mainly for the export market. Tha mine has been placed on a care and maintenance beaia panding a revival in tha export market for foundry sands.

The losses incurred by the group's chrome mines increased in comparison with last year.

The Marico Fluorspar mina is still on e care and maintenance basis. Customers were supplied from tha stockpile of acid grade concentrates and the mine recorded a amall profit.

Exploration

Encouraging results have been achieved on a number of mineralised ore bodies exposed by developmant on tha precious metal claims in the Barberton area in which tha company has a 50 per cent interest. The primary Interest is gold. The occurrence is hydrotharmal in origin. Highly minaralised sections exist as discrete lenses with Interposed *sections of almost barren* host *rock. Extraction of gold from* the ore may prove to be difficult because of the complex minaralisation. An investigation of the extractive metallurgy likely to be epplied in exploiting the deposit has recently been Initiated. A decision whether or not to establish a small mine In the area will probably be made late in tha new financial year.

Prospects

The performance of the gold market ia extramely difficult to predict. Chartist and financial considerations ara an important influance. For tha time being, substantial real interest rates are availabla in the United States of America and inflation ia a lesser threat than for many years. Political decisions in tha United States and Europe in tha next year could, however, lead to slightly highar inflation rates and in dua course to a weakening dollar. It is tharefore extremely difficult to forecast a trend in the gold price. Cost increases are eroding profitabilty. The South Africen authorities have given priority to curbing inflation but are operating under constraints imposed by unfavourabla economic conditions and the drought. As productivity improvemants on the company'a associated gold mines have reached a high intensity, and the gold extraction plants are running at or near full cepacity, tha scope for further economies is greatly restricted.

Tha company'a associated urenium producers will continue operations in the year ahead but lower profits are expected.

As a result of depressed economic conditions and anergy conservation maasures arising from the oil crises of the last decade, energy usage has fallen. It is unlikely that anergy consumption will reach its formar levela in the short term end thus a recovery in the international coal market is likely to be gradual. No material increase in domestic sales is foreseen in the short term. With costs rising and prices under severe pressure, a lower contribution from our coal mining operations ia expected in the year ahead.

Demand for chroma ore in tha export market is likely to fall below that of the past year as consumera worldwide are either over-stocked or have already taken advantage of the availability of cheap ores, including stocks of Transvaal chrome ore. Countering this weak export demand, there is some optimism among local ferrochrome producers who foresee an increased demand for their products. On balance, with the very slow recovery of the world economy and the heavily stocked position of consumars of chrome ore abroad, prospects for the coming year are poor.

Taking all these factors into account, forecasting group eaminga is e difficult task. Unless there ia a substantial increase in tha gold price or a faster rata of recovery in the developed economies than is expected, I think that we will *achieve results which are slightly lower than those* of last year.

Dividend policy

In the increasingly volatile conditions under which the group will oparata as the world economy moves from one phase to anothar, it may not be possibla to maintain the relatively stabla pattern of dividend distribution which has been followed in recent years. The profits of the undarlying operations will, tha board believes, tend to fluctuate more than they have in the past. This cannot be ignored when the level of distribution is considared and dividends may therefore also fluctuate in sympathy with the fortunes of the various operations and tha need to fund capital expenditure commitments.

R. S. Lawrence
Chairman

Johannesburg
15th November, 1983

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Friday November 25 1983

Barter deals for U.S. stockpiles criticised, Page 38

TOKYO

Copyright concern hits computers

A FIRM opening in Tokyo yesterday, with interest centring on blue chips, gave way to light selling as Hitachi and Fujitsu were hit by uncertainty over the IBM software copyright problem, *writes Shigeo Nishiwaki of Jiji Press.*

Prominent among gains were Matsushita group issues, however.

The Nikkei-Dow market average, which opened nearly 25 points above Tuesday's close (the market was closed on Wednesday for a national holiday), fell back to under 9,400, off 43.02 points to 9,373.54. Volume shrank to 241.22m shares from Tuesday's 283.36m.

As in the previous session, prices rallied sharply at the outset led by blue chips, although there was no particular purchasing incentive.

In mid-morning the market started to crumble as Fujitsu and Hitachi suffered selling, triggering a bout of small-lot selling of other quality issues.

The market was distressed by the news that Fujitsu had received a warning from IBM against violating software copyright. Fujitsu shed Y110 at one point, but rallied to close the day Y60 down at Y1,210. Hitachi also fell to Y798, but later more than recouped the loss to end Y5 up at Y915.

Of the blue chips closing lower on light selling, Fuji Photo Film retreated Y10 to Y2,040, NEC Y10 to Y1,320, TDK Y40 to Y4,660 and Honda Motor Y20 to Y1,050. Matsushita group companies were resilient, with Matsushita Electric industrial climbing Y40 to Y1,610 – this year's high – and Kyushu Matsushita Electric Y90 to Y2,760.

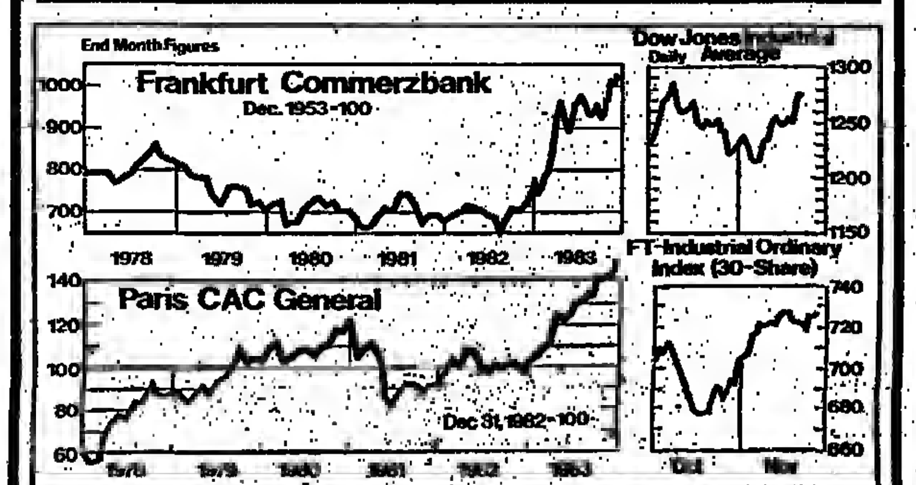
Elsewhere, forerunning speculative issues lost ground, with Aoki Construction shedding Y33 to Y883, Arabian Oil Y250 to Y4,840 and Dai-Nippon Pharmaceutical Y150 to Y2,510. But some small-capital issues strengthened, with Clarion gaining Y14 to Y874 and Japan Radio Y27 to Y880.

U.S. markets were closed yesterday for Thanksgiving. Release of money supply data has been postponed from today to Monday.

Nippon Gakki and Yamaha Motor suffered from news of a propane gas explosion at one of the Yamaha group's leisure facilities. Nippon Gakki lost Y20 to Y610 and Yamaha Motor Y15 to Y465.

The bond market eased amid growing concern over recent price rises. The yield on the benchmark 7.5 per cent long-term government bonds, maturing in January 1993, rose to 7.63 per cent from Tuesday's 7.60 per cent in light selling as the belief spread that the Trust Fund Bureau would start selling government bonds.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Nov 24	Previous	Year ago
NEW YORK			
DJ Industrials	closed	1275.61	1000.00
DJ Transport	closed	607.53	421.01
DJ Utilities	closed	137.72	116.60
S&P Composite	closed	166.96	133.68
LONDON			
FT Ind Ord	726.80	724.40	600.9
FT-A All-share	452.63	452.56	377.19
FT-A 500	486.21	486.84	419.54
FT-A Ind	446.16	445.10	394.59
FT Gold mines	501.20	494.60	421.6
FT Govt secs	83.10	83.19	79.85
TOKYO			
Nikkei-Dow	9373.54	9416.56	7846.77
Tokyo SE	688.06	689.78	576.02
AUSTRALIA			
All Ord.	733.2	722.0	491.90
Metals & Mins.	530.4	515.9	402.50
AUSTRIA			
Credit Aktien	54.03	54.07	47.47
BELGIUM			
Belgian SE	125.44	125.95	98.44
CANADA			
Toronto Composite	2479.07	2475.40	1804.20
Montreal Industrials	438.02	436.86	314.11
Combined	420.91	420.64	304.62
DENMARK			
Copenhagen SE	N/A	193.90	89.91
FRANCE			
CAC Gen	148.70	147.50	101.10
Ind. Tendance	158.60	158.60	122.60
WEST GERMANY			
FAZ-Aktien	342.99	340.79	237.41
Commerzbank	342.99	1012.50	719.30
HONG KONG			
Hang Seng	823.75	833.97	789.92
ITALY			
Banca Comm.	193.95	194.34	164.51
NETHERLANDS			
ANP-CBS Gen	N/A	141.50	96.2
ANP-CBS Ind	N/A	112.80	76.6
NORWAY			
Oslo SE	197.88	195.24	97.84
SINGAPORE			
Straits Times	942.05	950.06	732.25
SOUTH AFRICA			
Golds	750.60	731.10	687.4
Industrials	893.30	893.80	708.6
SPAIN			
Madrid SE	124.37	124.48	104.76
SWEDEN			
J&P	1465.00	1467.46	799.88
SWITZERLAND			
Swiss Bank Ind	357.4	356.50	264.90
WORLD	Nov 23	Prev	Yr ago
Capital Int'l	161.10	160.90	144.80

GOLD (per ounce)

	Nov 24	Prev
London	$375.625	$376.125
Frankfurt	$375.50	$375.75
Zürich	$375.75	$376.50
Paris (fixing)	$374.38	$376.45
Luxembourg (fixing)	$375.75	$375.90
New York (Nov)	closed	$375.40

* Indicates latest pre-close figure; † Nov. 23

CURRENCIES

(London)	U.S. DOLLAR Nov 24	U.S. DOLLAR Previous	STERLING Nov 24	STERLING Previous
$	–	–	1.465	1.469
DM	2.7085	2.6935	3.97	3.96
Yen	235	234.4	344.5	344.5
FFr	8.2325	8.2	12.0575	12.0425
SwFr	2.179	2.1725	3.195	3.195
Guilder	3.032	3.023	4.445	4.4425
Lira	1637.5	1630	2398	2394
BFr	54.99	54.79	80.55	80.5
C$	1.24025	1.23725	1.816	1.8175

INTEREST RATES

	Nov 24	Prev
Euro-currencies (offered rate)		
£	9 3/16	9 3/16
SwFr	4 1/4	4 1/4
DM	6 3/16	6 3/16
FFr	13 1/4	13 1/4
FT London Interbank fixing (offered rate)		
3-month U.S.$	9 3/4	9 11/16
3-month U.S.$	10 1/16	10
U.S. Fed Funds	9 1/4†	9
U.S. 3-month CDs	9.35†	9.45
U.S. 3-month T-bills	8.81†	8.74

U.S BONDS

	Nov 23 Price	Nov 23 Yield	Prev Price	Prev Yield
Treasury				
10 3/8 1985	99 27/32	10.61	99 29/32	10.51
11 1/2 1990	99 29/32	11.51	100 3/32	11.45
11.75 1993	101	11.57	101 7/32	11.53
12 2013	102 25/32	11.65	103	11.63
Corporate				
AT & T				
10 1/8 June 1990	94*	11.70*	93 7/8	11.75
3 7/8 July 1990	68*	10.80*	68	10.80
8 5/8 May 2000	76 1/4*	12.10*	76 1/4	12.10
Xerox				
10 1/4 March 1993	92 7/8*	11.90*	92 5/8	12.00
Diamond Shamrock				
10 1/4 May 1993	90 1/2*	12.35*	91 1/4	12.25
Federated Dept Stores				
10 7/8 May 2013	86 5/8*	12.35*	87 5/8	12.25
Abbot Lab				
11.80 Feb 2013	95 3/8*	12.35*	96.40	12.25
Alcoa				
12 1/4 Dec 2012	95 1/4*	12.85*	96.18	12.75

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
December	71-21†	71-24	71-17	71-25
U.S. Treasury Bills (IMM) $1m points of 100%				
December	91.14†	91.17	91.12	91.17
Certificates of Deposit (IMM) $1m points of 100%				
December	90.56†	90.58	90.54	90.58
LONDON				
Three-month Eurodollar $1m points of 100%				
December	90.29	90.30	90.28	90.32
20-year Notional Gilt £50,000 32nds of 100%				
December	109-09	109-30	109-09	109-31

COMMODITIES

(London)	Nov. 24	Prev
Silver (spot fixing)	577.50p	581.55p
Copper (cash)	£986.00	£965.00
Coffee (Nov)	£1916.50	£1903.50
Oil (spot Arabian light)	$28.12	$28.07

AUSTRALIA

Industrials pioneer way to peak

INDUSTRIAL STOCKS reached a record high in Australia yesterday while the all ordinaries index, 11.2 ahead at 733.2, came within striking distance of its all-time peak of 746.3 set three years ago, *writes Michael Thompson-Noel in Sydney.*

The recently held belief that mining and resource stocks were temporarily overvalued bas disappeared. With prospects for the domestic economy looking better and local interest rates still falling, brokers said yesterday's determined rally was further aided by improved signals from Wall Street and the higher London copper price.

The industrial index gained 11.8 to a record 951.5; metals gained 16 to 582.6; and the oil and gas index was 7.9 higher at 707.9.

The banks and finance sector also prospered, with a 2 per cent rise in its index of 21.9 to 1,088.1. National Commercial at A$3.80 ex-dividend and Westpac at A$3.85 both gained 10 cents, while ANZ put on 6 cents to A$5.94.

The markets have enjoyed a virtually uninterrupted bull phase since Mr Bob Hawke's Australian Labor party came to power in March. Its conservative pro-business stance and cautious budget in August bave revitalised the markets.

The breaking of Australia's costliest drought was another key factor, with the net value of farm production in 1983-84 expected to improve by 120 per cent to A$2.44bn (U.S.$2.24bn).

Yesterday's star performer was market leader BHP, up 15 cents to a year's high of A$13.35.

Oil and gas issues were mixed, with Woodside Petroleum 2 cents lower at A$1.25, although Santos reversed early losses to finish 10 cents stronger at A$8.02, while Bridge Oil gained a similar amount to A$3.20.

Golds improved marginally, with properties, brewers and retailers rising in the general price spiral.

NEW ZEALAND

Forestry is focus of frenzy

A FRENZY of activity has taken the New Zealand share market to new heights over the past week, with the share index jumping more than 50 points in one day and reaching a height of 1,225, more than double its 590 mark a year ago, *writes Dai Hayward in Wellington.*

The activity was generated by the successful bid by New Zealand's two food giants, the Wattie and Goodman groups, to acquire a 24.9 per cent stake in the country's second largest company, NZ Forest Products.

Their entry into the market came a week earlier than planned, but their hand was forced by the entry of a mystery buyer who, through Auckland broker Paine Belcher, announced a bid for 2m shares in NZ Forest Products.

The competition shot NZ Forest Products shares up from NZ$5.58 to NZ$6.81 with some private sales negotiated at NZ$6.90.

These persistent indications of buoyant market activity – a few weeks back it was oil exploration hopes which produced a mini-boom – run counter to a prediction by Mr Robert Muldoon, the Prime Minister. He warned last week that prudence indicated that the share market, which was already at record levels, should not go much higher.

This week he again issued a warning, particularly to small investors, to be prudent. He said yields were as high as they should be and large investors who considered this would ease back on their share buying.

Continued on Page 32

SINGAPORE

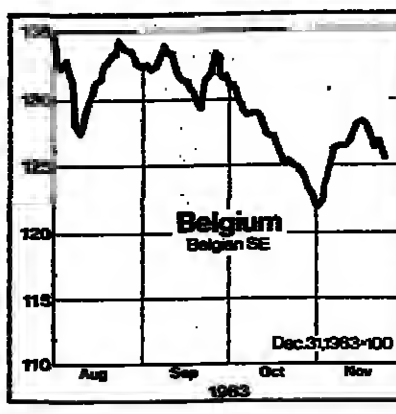
THE SIDELINES were packed with Singapore investors yesterday as next week's meeting on Malaysian constitutional amendments weakened resolve sufficiently to push the Straits Times industrial index 8.01 lower to 942.05. Declines outnumbered advances by 110 to 24 while 383 stocks were unchanged.

In industrials, Promet was the most active stock of the session and dropped 8 cents to S$3.96. Cement issues sustained heavy losses, such as PMC, 40 cents lower at S$6.55 after announcing lower first-half profits. Malayan Cement fell 35 cents to S$8.

CANADA

BASE METAL issues moved higher in Toronto, while oil and gas shares firmed. Golds proved to be particularly weak.

Banks continued to be a weak Montreal spot, while utilities, industrials and papers were steady.



EUROPE

Admirable showing in adversity

THE BEST was made yesterday of a clutch of generally unfavourable factors for the European bourses – ranging from a strong dollar and interest rate firmness to the occupation of the Dutch market by public sector workers protesting the imposition of wage cuts.

Brussels was beset by continued reaction to the one-point rise in the Belgian discount and Lombard rates announced by the national bank on Wednesday, with buying interest already restrained by several rights issues. But the general index slipped just 0.51 to 125.44, although now well off its peak for the year of 134.43 reached in August.

Among steels, Arbed shed BFr 42 to BFr 1,152 and wire maker Bekaert BFr 50 to BFr 2,920. In chemicals, Solvay was off BFr 50 at BFr 3,210 but UCB managed a BFr 85 gain to BFr 4,085. Of the utilities, Ebes stood out with a BFr 60 fall to BFr 2,260.

Rights issue – adjustments brought a further BFr 25 rally for Groupe Bruxelles Lambert at BFr 2,025, but a slide of BFr 70 more in Electrobel at BFr 5,960.

Enthusiasm turned selective in **Frankfurt**, as rumours of disappointing figures due from Mannesmann knocked DM 4 from the engineer's stock at DM 123, and profit-takers made themselves felt elsewhere.

But Daimler, bought eagerly for its pending rigbts, put on DM 6.50 to DM 696 in an otherwise dull vehicles sector. BMW fell DM 3 to DM 420.50 and Volkswagen held at DM 209.80.

Banks were prone to jitters surrounding the spate of recent corporate failures. While Commerzbank dipped DM 1 to DM 166, its index of 60 market leaders jumped 7 to 1,019.5. The Esch resignation had little clear impact.

With the 2½-hour **Amsterdam** hold-up out of the way, small upward movements were the norm. Features were insurer Amfas, with a Fl 16 surge to Fl 170, as Nat-Ned prepared its offer worth Fl 160 a share, while the prospective parent itself put on Fl 4 to Fl 180. On Wednesday, both had eased Fl 1.

Operations continued happily to take up buying positions on the second day of the **Paris** account. The revival of activity is also being prompted by a year-end deadline for tax incentives allowed to private investors. Gains yesterday reached double the number of falls.

Among the best were Midi, up FFr 122 at FFr 1,350, and Matra, FFr 85 ahead at FFr 1,085. Peugeot trailed with a FFr 4 fall to FFr 209. Financials, foods and stores were identified as the sectors to benefit most.

Bonds were under pressure from expectations of an imminent state loan to raise up to FFr 15bn with a maturity of as much as 16 years.

Nestlé's profits outlook gave it the best of the **Zurich** gains, SwFr 105 stronger at SwFr 4,425, while Jacobs Suchard firmed SwFr 50 to SwFr 6,550. Chemicals corrected Wednesday's divergent movements: Sandoz recouped SwFr 50 to SwFr 7,050 and Hoffmann-La Roche slid SwFr 375 to SwFr 99,625.

Domestic bonds were little changed.

Milan again viewed Italcementi with disfavour, taking it L895 down at L42,605, in a day which left leading issues weaker but gave good gains to some less prominent ones. Holding company Invest put on L12 to L3,052.

Treasury paper showed slight fluctuations either side.

A second weaker **Stockholm** session was halted by a buying revival just before the close, leaving the resulting picture mixed. Alfa-Laval shed SKr 10 to SKr 275, but Aga firmed the same amount at SKr 350. Asea was steady at SKr 400 as its results emerged sharply higher.

A lacklustre **Madrid** showed Dragados 4.5 points lower at 119 per cent of nominal value.

LONDON

Obstacles overcome by Boots

BETTER than expected results from Boots, the retail chemist chain, combated a vast array of inhibiting influences in London yesterday and left the FT Industrial Ordinary index 2.4 higher at 726.8.

After a 24.5 per cent increase in first-half profits, Boots gained 10p to 171p after touching 174p, while an excellent interim report from Extel, up 50p to 418p, strengthened the equity sector.

End of account factors, combined with a recent economic review challenging the Treasury's projections on recovery and a Confederation of British Industry warning on tax increases, stifled investment generally.

Profit-taking was evident in gilts, with shorts mixed and longs down by ⅛.

Details, Page 33; Share Information Service, Pages 34-35.

HONG KONG

THE ABSENCE of any positive factors unsettled early firmness in Hong Kong and sent prices lower, forcing a 10.22 drop in the Hang Seng index to 823.75.

Turnover, at HK$71.29m, was marginally ahead of the previous half-day session.

Hutchison Whampoa shed 40 cents to HK$12.70, Jardine Matheson fell 20 cents to HK$10.60 and Wheelock Marden lost 3 cents to HK$2.82. Hongkong and Shanghai Bank was unchanged at HK$6.90, Overseas Trust Bank slipped 10 cents to HK$2.65, while Hang Seng surrendered 25 cent to HK$35.25.

SOUTH AFRICA

LOCAL INSTITUTIONS stimulated Johannesburg gold mine stocks yesterday, despite a barely changed bullion price, with Buffels R.1.50 higher at R55 and Randfontein R2 firmer at R145.

Anglo-American put on 10 cents to R19.40 as the group declared first-half pre-tax profits of R349m against R322m and an identical 35-cent interim dividend.

WORLD STOCK MARKETS

NEW ZEALAND

Forestry is focus of frenzy

Continued from Page 31

Investors have also turned to the share market because of the Government's recently imposed interest rate limits. Mr Muldoon this month set a maximum of 11 per cent on all first mortgages, and 14 per cent for subsequent mortgages.

Some financial institutions have already quit mortgage lending. Many smaller lenders are reluctant to accept only 11 per cent, while others are likely to refuse to renew mortgages at the new rate. They are expected to turn to the stock market as a more profitable investment.

Wattie and Goodman, meanwhile, have no plans to seek more than the 24.9 per cent holding in NZ Forest Products — the level at which they have to declare a formal takeover bid. They nonetheless believe forestry is the growth sector of the New Zealand economy and feel, as do many other market analysts, that NZ Forest Products shares are greatly undervalued. Some experts assess Forest Products' asset backing to be at least NZ$12 a share.

The two food companies plan to establish a joint subsidiary, Dominion Industries, to hold the shares. Wattie and Goodman each hold a 35 per cent stake in each other. They also both own a large holding in many of New Zealand's leading companies. The forestry deal links seven of the largest market leaders in a loose affiliation through a major cross-shareholding network.

Wattie holds 24.9 per cent of one of New Zealand's largest export meat processing companies, Waitaki. Goodman holds 23 per cent of the TNL group, which is dominant in transport and tourism. NZ Forest Products itself has a 40 per cent holding in UEB Industries, one of the leading printing and packaging companies, which in turn has 26 per cent of the diversified Yates Corporation.

Over the past decade, Wattie — best known for its canned foods — has acquired most of the leading food processing companies in New Zealand. Goodman controls 20 of the major bakeries as well as flour mills, a hosiery and biscuit factory.

Many NZ Forest Products shareholders were small investors, with 53,374 holding 1,000 shares or fewer. Many of these have now flowed to Wattie-Goodman. On Tuesday, when they reached their target, more than 1m shares were traded at NZ$6.81. The mystery buyer, believed to be Caxton Paper Mill, continued bidding and picked up about 4 per cent of NZ Forest Products.

Much of the cash generated by the share transfers was immediately put back into the market, thus having a flow-on affect and pushing share prices in many other companies to new heights.

This activity, coupled with the interest rate excitement at New Zealand's resumed oil search and the interest rate ceiling, is certain to keep stocks heading upward for some time to come. In some respects the share market is the only sector showing an active and buoyant trend in the face of continued economic recession.

CANADA

(Closing Prices) Stock	Nov 24	Vern.
ANCA Int.	23¾	+⅛
Abitibi	24⅛	+⅛
Agnico Eagle	16	–
Alberta Energy	19½	-⅛
Alcan Alumin	48	–
Algoma Steel	25¾	–
Asbestos	11¾	–
Bk Montreal	29⅝	-⅛
Bk Nova Scotia	43⅛	+⅛
Bell Canada	31⅞	+⅛
Bombardier A	18¾	–
Bow Valley	25⅝	–
B.P. Canada	–	–
Brascan A	38½	+⅛
Brinco	2.85	-0.05
B. C. Forest	17⅞	+⅛
CIL Inc	28⅞	–
Cadillac Fairv.	9⅛	–
Can Cement	–	–
Can NW Energy	28¼	+⅛
Can Packers	26⅛	-¼
Can Trustco	46½	-½
Can Imp Bank	31	-½
Canadian Pacific	50½	+½
Can. P. Ent.	21¾	+⅜
Can Tyre A	61	+1¼
Carling O'Kfe	22⅝	–
Chieftain	17	–
Cominco	57½	–
Cons Bathst A	23⅞	–
Coseka Resources	3.6	+0.2
Costain	9⅞	–
Denison Mines	46⅞	-⅛
Dofasco	59⅛	-⅜
Dome Mines	14¾	-⅛
Dome Petroleum	4.25	-0.05
Dominion Strs.	16½	+¾
Domtar	30⅛	+⅛
Falconbridge	68½	+¾
Genstar	29½	+⅜
Giant Y'knife	20½	-½
Gt West Life	275	–
Gulf Canada	18⅝	–
Hawk Sid Can	17¼	–
Hudson's Bay	24¼	-⅛
Husky Oil	10¾	+⅛
Imasco	35⅞	+⅜
Imp Oil A	36⅝	+⅛
Inco	18	+¼
Indal	12	–
Interpr Pipe	32⅛	–
LAC Minerals	–	–
Macmill Bloedel	28⅛	+⅛
Marks & Spencer	14½	-⅛
Massey-Ferg	6⅛	-⅛
McIntyre Mines	37½	–
Mitel	15⅛	+⅛
Moore Corp	55¾	-¼
Nat. Sea Prods A	7⅜	–
Noranda Mines	24⅞	+⅜
Numac Oil	13⅞	–
Nova Alberta	6⅞	-⅛
Nthn Telecom	56	–
Oakwood Pet	9⅛	+⅜
Pancanadian Pet	24½	+2
Patino	32	–
Placer Devt	21¾	+⅝
Power Corp Can	17⅞	+⅛
Quebec Sturgeon	6¼	-⅛
Ranger Oil	13⅞	+⅝
Reed Stenhse A	12½	-⅛
Rio Algom	17½	+⅛
Royal Bank	33¼	-¼
Royal Trustco A	27⅞	+⅛
Sceptre Res	5½	–
Seagram	47⅞	+⅛
Simpson Sears A	–	–
Shell Can Oil	23¼	-¼
Steleo	29¼	+⅛
Tech B	10⅞	+⅜
Texaco (Canada)	39⅞	+⅜
Thomson News A	38	+¾
Toronto Dom Bank	16⅝	-⅝
Transalta A	21	+⅜
Trans. Can. Pipe	28¾	–
Walker Hiram	28¼	+⅛
Westcoast Trans	15	–
Weston (Geo)	60¾	–

AUSTRIA

Nov. 24	Price Sch%	+ or –
Creditanstalt	011	-1
Goesser	520	...
Interunfall	410	...
Landerbank	211	...
Perlmooser	325	+3
Steyr Daimler	150	-1
Veitscher Mag.	200	...

BELGIUM/LUXEMBOURG

Nov. 64	Price Frs.	+ or –
ARBED	1,152	-46
Banq Int A Lux.	4,540	-35
Bekaert B	6,620	-50
Ciment BR	1,635	+10
Cockerill	163	-1
Delhaize	4,580	...
EBES	6,280	-60
Electrobel	3,660	-70
Fabrique Nat.	2,100	+35
GB Inno BM	3,010	-45
GBL (Brux)	6,025	+63
Gevaert	2,600	-10
Hoboken	4,620	+25
Intercom	1,740	-30
Kredietbank	6,200	...
Pan Hldgs.	9,150	+60
Petrofina	6,640	+80
Royale Belge	6,810	-90
Soc. Gen. Banq.	6,733	-35
Soc. Gen. Belge	1,613	...
Sofina	4,880	...
Solvay	3,210	-30
Traction El.	3,050	-70
UCB	4,085	+85
Vieille Mont	3,600	-146

DENMARK

Nov. 24	Price Knr %	+ or –
Aarhus Olie	430	...
Andelsbanken	263	...
Baltica Skand	495	...
CopHandelsbank	630	...
D. Sukkerfab	354nr	+3
Danske Bank	581	+1
East Asiatic	146	-6
Forende Brygg.	1,320	+03
Forende Damp.	188	...
GNT Hldg	310	-1
I.S.S.B.	700	-10
Jyske Bank	544	-7
Novo Ind	6,186	...
Privatbanken	256	-3
Provinsbanken	285	+1
Smidth (FL)	244	-0
Sophus Berend	635	...
Superfos	480	-3

ITALY

Nov. 24	Price Lire	+ or –
Banca Com'le	27,200	-300
Bastogi-IRBS	194	-3
Centrale	1,656	-16
Credito Varesino	4,000	...
Fiat	3,106	-33
Finsider	46	...
Generale (Assic)	134,200	+50
Invest	3,052	+16
Italcementi	42,605	-895
Montedison	219	-5.7
Olivetti	3,675	-50
Pirelli Co	2,723	+23
Pirelli Spa	1,320	+5
Snia BPD	1,025	-21
Toro Assic.	11,300	...
do. Pref.	8,290	+40

FRANCE

Nov. 64	Price Frs.	+ or –
Emprunt 4½% 1973	1,874	-6
Emprunt 7% 1973	9,587	...
CNE 3%	3,085	+3
Air Liquide	498	+1
BIC	824	+7
Bouygues	700	+2
BSN Gervais	6,370	-50
CIT-Alcatel	1,310	-20
Carrefour	1,280	-13
Club Mediter'n.	748	+10
CFAO	533	+11
Cie Bancaire	383	+0
Cofimeg	195	+9
Creusot Loire	48.3	-0.0
Darty	690	...
Dumez	950	+9
Eaux (Cie Gen)	614	...
Elf-Aquitaine	173	+3.1
Gen. Occidental	390	-4
Imetal	57.3	+1.3
Lafarge Coppee	663.9	+1.0
L'oreal	6,223	+25
Legrand	1,980	+2
Maisons Phenix	320	-1
Matra	1085	+85
Michelin B	808	-10
Midi (Cie)	1,350	+122
Moet-Hennessy	1,303	-2
Moulinex	99.3	-0.5
Nord Est	48.6	+1.0
Pernod Ricard	725xr	+18
Perrier	414	-4.3
Petroles FR	154.5	+1
Peugeot-SA	205	-4
Poclain	63	-1
Printemps Au.	133	+5.7
Radiotech	413	-0
Redoute	1,030	-19
Roussel-Uclaf	635	-4
Schneider	85	-0.5
Sefimeg	254	+7
Skis Rossignol	1,300	+20
Telemech Elect.	1,340	-3
Thompson (CSF)	194.3	+0.7
Valeo	313	+6

GERMANY

Nov. 24	Price Dm.	+ or –
AEG-Telef	80.2	-0.3
Allianz Vers.	838	+8
BASF	136.7	-0.1
Bayer	139.8	+0.3
Bayer-Hypo	277.5	-2
Bayer-Verein	507.5	+0.5
BHF-Bank	277	-4
BMW	420.5	-3
Brown Boveri	617.7	+2.7
Commerzbank	166	-1
Conti Gummi	124.3	-0.9
Daimler-Benz	693	+9.5
Degussa	351.5	+6.8
Demag	148	...
D'sche Babcock	180	...
Deutsche Bank	316.5	+0.5
Dresdner Bank	169	-3
GHH	133	+1.5
Hochtief	440	-7
Hoechst	181.3	-0.7
Hoesch Werke	61	-0.6
Holzmann (P)	414.5	...
Horten	188.7	-0.9
Kali und Salz	199.8	+1.3
Karstadt	297	+1
Kaufhof	279	+1
KHD	262	+3
Kloeckner	38.2	-0.6
Krupp	58	+1
Linde	366.5	+2.5
Lufthansa	139.9	+1.9
MAN	132.3	+0.3
Mannesmann	163	-4
Mercedes Hld	622	+7.3
Metallgesell	194.5	+1.5
Munech Rueck	1180	+150
Preussag	660	-0.5
Rhein West Elect	176.0	-0.5
Rosenthal	688	...
Schering	378	+0.6
Siemens	382	-0.3
Thyssen	78.9	+1.7
Varta	170	-1
Veba	165.6	+0.6
V.E.W.	119	...
Verein-West	307	...
Volkswagen	206.8	...

NETHERLANDS

Nov. 24	Price Fls.	+ or –
ACF Holding	163	-0.5
Ahold	166.8	+2.8
AKZO	85.4	+0.6
ABN	569	+4
AMEV	144.5	+0.5
AMRO	58.7	...
Bredero Cert	175.5	-1
Boskalis Westm.	36.5	+0.4
Buhrmann-Tet.	50.1	-1.9
Caland Hldgs.	36.8	-0.4
Credit Lyon'is Bk	56.7	-1.3
Elsevier-NDU nv.	447	-2
Ennia	182	+2
Gist-Brocades	145.5	-0.5
Heineken	104.6	-0.5
Hoogovens	35.9	+0.1
Hunter Douglas	17.8	+0.2
Int-Muller	29.8	-0.2
KLM	171.5	-0.3
Naarden Intl	55.8	+0.4
Nat Ned Cert	180	+4
Ned. Credit Bank	30.7	+0.1
Ned Mid Bank	138.5	-0.6
Nedlloyd	103.9	-0.1
Oce Grinten	209	-0.5
Ommeren (Van)	33.3	+0.6
Pakhoed	53	-0.3
Philips	42.2	+0.1
Rijn-Schelde	3.7	...
Robeco	324.3	-0.3
Rodamco	129.1	-0.2
Rolinco	313.4	+0.4
Rorento	199	+0.8
Royal Dutch	135.3	+0.2
Unilever	044	+0.2
VMF Stork	81.5	...
VNU	114	+0.5
West Utr Bank	99.5	-0.2

NORWAY

Nov. 24	Price Kroner	+ or –
Bergens Bank	133	...
Borregaard	163	...
Christiania Bk	153	...
Den Norsk Credit	147	...
Elkem	106	...
Norsk Data	250	+10
Norsk Hydro	496	+13
Storebrand	162.3	+3.5

SPAIN

Nov. 24	Price Pts%	+ or –
Bco Bilbao	257	-1
Bco Central	059	-1
Bco Exterior	017	...
Bco Hispano	210	...
Bco Santander	258	...
Bco Vizcaya	313	-1
Dragados	119.0	-4.5
Hidrola	46.5	+0.3
Iberduero	40.7	...
Petroleos	105	...
Telefonica	87.5	...

SWEDEN

Nov. 24	Price Kronor	+ or –
AGA	355	+10
Alfa-Laval	670	-10
ASEA (Free)	405	...
Astra (Free)	637	...
Atlas Copco	112	-1
Boliden	309	+3
Cardo	365	-3
Cellulosa (Free)	186xd	...
Electrolux B	230	...
Ericsson	414	...
Esselte (Free)	313	-2
Fagersta	400	...
Mo Och Domsjo	363	+8
Pharmacia (Free)	349	-4
Saab-Skania	289	+4
Sandvik B (Free)	320	-10
Skandia	450	-5
Skan Enskilda	298	+1
SKF B	166	...
St. Kopparberg	380	+5
Sven Handelsbn	186	-2
Swedish Match	258	...
Volvo B (Free)	412	-3

SWITZERLAND

Nov. 24	Price Frs.	+ or –
Alusuisse	769	+1
Bank Leu	4,090	-10
Brown Boveri	1,220	-20
Ciba-Geigy	2,230	+3
do. (Part Certs)	1,815	-10
Credit Suisse	2,145	+10
Elektrowatt	2,815	-10
Fischer (Geo.)	585	+5
Genevoise	3,650	...
Hoff-Roche PtCts	99,625	-375
Hoff-Roche 1/10	9,950	-50
Jacobs Suchard	6,550	+50
Jelmoli	1,830	...
Landis & Gyr	1,396	-60
Nestle	4,426	+106
Oer-Buehrle	1,240	-20
Pirelli	256	-3
Sandoz (Br)	7,050	+50
Sandoz (PtCts)	1,138	-10
Schindler (PtCts)	410	...
Swissair	017	-3
Swiss Bank	398	-1.8
Swiss Reinsce	7,400	+50
Swiss Volksbk	1,400	...
Union Bank	3,290	-5
Winterthur	2,620	-10
Zurich Ins	17,465	-25

AUSTRALIA

Nov. 24	Price Aust. $	+ or –
ANZ Group	5.94	+0.04
Acrow Aust.	1.25	...
Alliance Oil D.	0.85	-0.02
Ampol Pet.	1.9	+0.04
Aust Cons Ind.	1.94	+0.02
Aust. Guarant.	3.86	-0.05
Aust. Nat. Inds.	2.58	+0.02
Aust. Paper	2.5	+0.05
Bond Hldgs	1.35	+0.25
Boral	3.43	+0.11
B'ville Copper	0.56	+0.08
Brambles Inds.	3.16	+0.05
Bridge Oil	3.2	+0.1
BHP	13.35	+0.15
CRA	5.8	+0.24
CSR	3.85	+0.02
Carlton & Utd.	3.13	+0.13
Castlemaine	4.52	+0.07
Coles (G.J.)	5.82	+0.02
Comalco	2.95	+0.05
Consolidated Pet.	0.66	+0.06
Costain	1.3	-0.05
Dunlop	1.55	+0.07
E.Z. Ind.	6.0	+0.1
Elders IXL	4.23	+0.03
Energy Res.	1.7	-0.05
Gen Prop Trust	2.08	-0.02
Hardie (J.)	3.54	...
Hartogen Energy	2.45	-0.05
Herald W'y Times	3.25	+0.05
ICI Aust.	2.8	+0.05
Jimb'lana (50cFP)	0.22	+0.02
Kia Ora Gold	0.18	+0.01
Lend Lease	5.14xc	+0.08
MIM	3.72	+0.12
Mayne Nickless	2.85	-0.05
Meekatharra	1.25	...
Myer Emp.	1.9	...
Nat.Com.Bk.	5.8xd	+0.1
News	9.3	+0.2
Nicholas Kiwi	3.7	+0.06
North Bkn Hill	5.3	...
Oakbridge	1.1	-0.02
Otter Expl.	0.55	-0.05
Pancon	1.25	+0.02
Pioneer Conc.	1.84	...
Reckitt & Coln	5.4	...
Repco	1.35	...
Santos	6.02	+0.1
Smith (H.)	4.1	+0.4
Southland Min'g.	0.26	...
Spargos Expl.	0.37	...
Thos. Natwide	2.1	+0.08
Tooth	4.8	...
UMAL Cons.	2.35	+0.05
Vamgas	3.6	+0.05
Western Mining	4.05	+0.25
Westpac	3.86	+0.1
Woodside Petrol.	1.25	-0.02
Woolworths	2.7	+0.1
Wormald Intl.	2.98	-0.02

HONG KONG

Nov. 24	Price H.K.$	+ or –
Bank East Asia	19.6	...
Carrian Invest.	0.87	...
Cheung Kong	6.5	-0.2
China Light	14.0	-0.1
Hang Lung Devel.	1.38	...
Hang Seng Bank	35.25	-0.25
HK Electric	6.25	-0.05
HK Kowloon Wh.	3.4	-0.1
HK Land	2.3	-0.05
HK Shanghai Bk.	6.5	...
HK Telephone	33.25	-0.25
Hutchison Wpa.	12.7	-0.4
Jardine Math.	10.6	-0.2
New World Dev.	2.57	...
Orient O'seas	2.65	...
O'seas Trust Bk.	2.65	-0.1
SKH Props.	4.45	-0.1
Swire Pac A	13.6	-0.1
Wheel'k Mard A.	6.82	-0.08
Wheel'k M'time	1.8	...
World Int. Holdgs	1.43	...

JAPAN

Nov. 24	Price Yen	+ or –
Ajinomoto	990	-5
Alps Electric	2,430	+20
Amada	896	-4
Asahi Chem	385	+1
Asahi Glass	668	...
Bridgeston	570	...
Canon	1,430	...
Casio Comp.	1,460	...
Chugai Pharm	901	-4
Citizen	580	-5
Daiei	562	+9
Dai Nippon Ptg	873	-8
Daiwa House	598	+5
Ebara	333	...
Eisai	1,300	+10
Fanuc	8,900	+10
Fuji Bank	500	...
Fuji Film	2,040	-10
Fujisawa	901	-6
Fujitsu	1,210	-50
Green Cross	1,750	...
Hasegawa	470	+5
Heiwa Real Est.	621	-1
Hitachi	815	+5
Hitachi Credit	1,200	...
Honda	1,050	-20
House Food	920	+9
Hoya	1,250	-20
Itoh (C)	279	-2
Ito-Yokado	1,650	...
Iwatsu	1,820	-30
JACCS	338	+1
JAL	2,280	-10
Jusco	823	+2
Kajima	315	+2
Kao Soap	632	-4
Kashiyama	624	-3
Kirin	455	...
Kokuyo	845	-9
Komatsu	497	+3

JAPAN (continued)

Nov. 24	Price Yen	+ or –
Konishiroku	625	...
Kubota	304	+3
Kumagia	438	+0
Kyoto Ceramic	7,730	...
Maeda Const	508	-2
Makino Milling	1,330	...
Makita	1,190	...
Marubeni	070	-1
Marudai	610	+5
Marui	1,160	+10
MEI	1,810	+40
M'ta Elec Works	371	+1
M'bishi Bank	500	...
M'bishi Corp	587	+1
M'bishi Elec	409	-3
M'bishi Estate	481	+3
MHI	244	+2
Mitsui Co	359	-2
Mitsui Estate	735	-6
Mitsukoshi	346	...
NGK Insulators	605	+4
Nihon Cement	210	+4
Nippon Denso	1,700	...
Nippon Elect.	1,320	-10
Nippon Express	272	-2
Nippon Gakki	610	-20
Nippon Kokan	136	-3
Nippon Oil	1,050	-30
Nippon Seiko	575	-8
Nippon Shinpan	575	-9
Nippon Steel	160	-1
Nippon Suisan	318	+4
NTV	6,090	+20
Nippon Yusen	056	-1
Nissan Motor	713	+5
Nisshin Flour	395	-5
Nisshin Steel	147	+3
Nomura	701	-9
Olympus	1,050	+30
Omron Tateisi	1,270	+20
Orient Leasing	6,200	+10
Pioneer	3,040	+40
Renown	644	-6
Ricoh	1,070	...
Sankyo	735	-6
Sanyo Elect	476	+1
Sapporo	365	+5
Sekisui Prefab	580	...
Seven-Eleven	5,640	+170
Sharp	1,290	-30
Shimadzu	520	...
Shionogi	783	-7
Shiseido	1,090	...
Sony	6,400	...
Stanley	748	+20
S'to mo Elect	698	+4
S'tomo Marine	003	...
S'tomo Metal	166	-1
Taihei Dengyo	570	...
Taisei Corp	220	+3
Taisho Pharm	919	-15
Takeda	732	-0
TDK	4,660	-40
Teijin	388	...
Teikoku Oil	753	-8
Tokio Marine	498	+3
TBS	706	-0
Tokyo Elect Pwr.	1,040	-20
Tokyo Gas	128	-1
Tokyo Sanyo	566	+1
Tokyo Style	857	-2
Tokyu Corp	299	+1
Toppan Print	622	-1
Toray	412	+9
Toshiba	370	...
TOTO	607	-15
Toyo Seikan	631	...
Toyota Motor	1,380	...
Victor	2,830	-10
Wacoal	577	+0
Yamaha	465	-15
Yamanouchi	1,590	+10
Yamazaki	730	-15
Yasuda Fire	225	...
Yokogawa	441	+3

SINGAPORE

Nov. 24	Price $	+ or –
Boustead Bhd	6.78	-0.04
Cold Storage	4.96	-0.04
DBS	9.45	...
Fraser & Neave	9.1	+0.05
Genting	4.68	-0.08
Haw Par	6.24	...
Inchcape Bhd	6.8	-0.08
Keppel Shipyard	3.68	-0.04
Malay Banking	0.1	-0.1
Malay Brew	6.25	+0.1
Multi Purpose	1.76	+0.02
OCBC	10.9	...
OUB	4.44	...
Sime Darby	2.3	-0.06
Straits St'mship	1.79	-0.02
Straits Trdg.	6.45	-0.05
UOB	3.56	-0.05

SOUTH AFRICA

Nov. 24	Price Rand	+ or –
Abercom	2.80	...
AE & CI	7.7	+0.2
Anglo Am Coal	23	...
Anglo Am Corp.	19.4	+0.1
Anglo Am Gold	122.0	-0.25
Barclays Bank	16.25	...
Barlow Rand	12.4	-0.1
Buffels	55.0	+1.5
CNA Gallo	2.40	...
Currie Finance	4.1	+0.1
De Beers	8.9	+0.08
Driefontein	34.28	+0.3
FS Geduld	40.0	+0.5
Gold Fields S.A.	66.5	+4
Highveld Steel	4.7	...
Nedbank	15.0	...
OK Bazaars	19.5	-0.2
Protea Hldgs	3.35	-0.05
Rembrant	23.0	...
Rennies	11.9	+0.05
Rustenburg	11.75	+0.65
Sage Hldgs	6.2	...
SA Brews	7.1	+0.05
Smith (C.G.)	23.30	...
Tongaat Hulett	9.3	-0.3
Unisec	3.1	-0.1

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. $ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Indices

NEW YORK—DOW JONES

	Nov 24	Nov 23	Nov 22	Nov 21	Nov 18	Nov 17	1983 High	1983 Low	Since Compil'n High	Since Compil'n Low
Industrials		1275.81	1275.81	1268.8	1251.82	1254.87	1275.81 (22/11)	174.39 (11/8)	1275.81 (22/11/83)	41.22 (2/7/32)
Transport		607.53	612.57	609.4	606.84	599.96	612.57 (22/11)	434.24 (3/1)	612.57 (22/11/83)	12.23 (8/7/32)
Utilities		137.72	138.25	136.71	137.33	138.1	148.7 (31/10)	119.46 (3/1)	163.32 (20/4/69)	10.65 (28/4/42)
Trading vol 1000's†		10088	11755	9774	8829	9074	–	–	–	–

	Nov 18	Nov 11	Nov 4	(Year Ago Approx)
Ind div yield %	4.49	4.46	4.58	5.31

STANDARD AND POORS

	Nov 24	Nov 23	Nov 22	Nov 21	Nov 18	Nov 17	1983 High	1983 Low	Since Compil'n High	Since Compil'n Low
Industrials		187.7	187.46	186.72	185.56	186.97	193.22 (22/6)	154.95 (3/1)	193.22 (22/6/83)	3.52 (30/6/32)
Composite		166.96	166.94	166.85	165.88	166.12	178.99 (22/8)	138.34 (3/1)	178.99 (22/6/83)	4.4 (1/6/32)

	Nov 16	Nov 9	Nov 2	Year Ago (Approx)
Ind div yield %	3.97	4.01	3.95	4.63
Ind. P/E Ratio	14.37	14.18	14.24	10.12
Long Gov Bond Yield	11.61	11.76	11.60	10.41

N.Y.S.E. ALL COMMON

Nov 24	Nov 23	Nov 22	Nov 21	1983 High	1983 Low
–	–	–	–	442.62 (15/6)	79.79 (24/1)

RISES AND FALLS

	Nov 24	Nov 23	Nov 22
Issues traded		2014	2018
Rises		798	993
Falls		827	662
Unchanged		389	363

MONTREAL

	Nov 24	Nov 23	Nov 22	Nov 21	1983 High	1983 Low
Industrials	438.82	436.86	435.48	433.46	493.88 (5/5)	325.12 (4/1)
Combined	420.81	420.64	419.8	417.38	441.29 (26/9)	313.4 (5/5)
TORONTO Composite	2479.8	2475.4	2470.8	2451.5	2598.2 (26/9)	1949.8 (4/1)

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

	Nov. 24	Nov. 23	Nov. 22	Nov. 01	1983 High	1983 Low
AUSTRALIA All Ord. (1/1/80)	735.2	722.2	717.3	718.1	736.7 (12/9)	487.8 (4/1)
Metals & Mins. (1/1/80)	550.4	516.3	510.1	511.0	514.2 (5/8)	411.8 (4/1)
AUSTRIA Credit Aktien (2/1/62)	54.83	54.07	54.27	54.27	59.8 (5/5)	48.48 (15/2)
BELGIUM Belgian SE (31/12/63)	125.44	125.95	126.73	128.58	134.43 (1/8)	100.50 (4/1)
DENMARK Copenhagen SE (3/1/83)	(e)	195.98	196.86	197.61	204.22 (15/9)	100.00 (3/1)
FRANCE CAC General (31/12/82)	148.7	147.5	146.6	144.8	148.7 (24/11)	98.1 (5/1)
Ind Tendance (31/12/82)	158.6	158.6	156.9	154.9	158.6 (23/11)	98.8 (5/1)
GERMANY FAZ-Aktien (31/12/58)	342.93	340.79	338.85	336.80	345.33 (17/11)	241.80 (25/1)
Commerzbank (Dec 1953)	1016.5	1012.5	1003.3	993.5	1021.9 (17/11)	727.8 (25/1)
HONG KONG Hang Seng Bank (31/7/64)	825.75	855.91	836.97	837.16	1102.64 (21/7)	690.06 (4/10)
ITALY Banca Comm Ital. (1972)	195.86	194.54	192.46	190.91	214.95 (21/6)	160.45 (10/1)
JAPAN** Nikkei-Dow (16/5/49)	9373.54	(c)	9416.56	9409.76	9563.25 (12/10)	7803.10 (25/1)
Tokyo SE New (4/1/68)	690.66	(c)	689.76	690.27	695.50 (7/10)	514.51 (25/1)
NETHERLANDS ANP-CBS General (1970)	142.3	141.5	140.8	138.3	144.3 (11/10)	100.1 (4/1)
ANP-CBS Indust (1970)	112.9	112.8	113.2	112.5	118.4 (10/10)	86.5 (4/1)
NORWAY Oslo SE (4/1/83)	197.88	196.24	194.65	192.88	217.00 (10/10)	98.01 (4/1)
SINGAPORE Straits Times (1966)	942.05	950.06	955.81	855.88	992.62 (25/8)	712.29 (5/1)
SOUTH AFRICA Gold (1958)	(u)	737.1	729.6	713.3	1099.5 (1/2)	881.4 (1/11)
Industrial (1958)	(u)	896.3	893.5	894.9	966.7 (26/6)	794.2 (5/1)
SPAIN Madrid SE (31/12/82)	124.57	124.48	125.50	(c)	125.14 (10/11)	98.32 (11/1)
SWEDEN Jacobson & P. (1/1/58)	1465.00	1467.49	1476.79	1475.55	1526.00 (6/9)	896.16 (3/1)
SWITZERLAND Swiss Bank Cpn. (31/12/58)	357.4	356.5	355.1	353.9	357.4 (24/11)	294.4 (4/1)
WORLD Capital Intl. (1/1/70)	–	181.1	180.9	180.2	185.8 (10/10)	154.3 (5/1)

(**) Saturday Nov 19: Japan Nikkei-Dow 9,387.83. TSE 688.79.

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50: Standard and Poors—10: and Toronto—1,000: the last named based on 1975. † Excluding bonds. ‡ 400 Industrial. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c-Closed. u Unavailable.

MARKET REPORT

Better-than-expected Boots' figures help equities
Further profit-taking in Gilts

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Nov 14	Nov 24	Nov 25	Dec 5
Nov 28	Dec 8	Dec 9	Dec 19
Dec 12	Dec 22	Dec 23	Jan 9

* "New-time" dealings may take place from 9.30 am two business days earlier.

Inhibiting influences such as NIESR's economic review pointing to slowing output growth and rising inflation and the CBI's warning that any tax increases in the next Budget would risk killing the economic recovery deterred investment enterprise in London stock markets yesterday.

End-Account factors also took their toll and it was again left to special situations or company news items to provide the major focal points in equities.

Boots were the day's main equity feature, rising 10 to 171p, after 174p, in response to the better-than-expected 24.5 per cent increase in first-half profits, while Extel were prominent with a jump of 50 to 418p, after 425p, also on excellent interim profits. Powell Duffryn and Redland were others to draw strength from favourable mid-term announcements.

Blue Chip industrials opened easier on technical considerations and drifted lower still for want of support. It was not until Boots' impressive figures were announced that other leaders showed signs of life by rallying in sympathy. The tone thereafter remained quietly firm. The Financial Times Industrial Ordinary share index recovered from an 11 am fall of 1.1 to post a rise of 2.4 at 726.8 by the close. Of the other constituents, Electrical major Plessey advanced following a broker's visit to the company and GEC also gained ground after a broker's favourable circular.

Wednesday's quietly dull tone in gilts was repeated yesterday with quotations easing on further sporadic bouts of profit-taking in the absence of fresh support. Falls to ½ were soon recorded at the longer-end before a modest rally had clipped these by an ¼ or so by the "House" close. However, publication after-hours of the disappointing visible October trade deficit of £429m prompted renewed uncertainty and prices were looking easier again in the late inter-office business. Short-dated stocks ended mixed; applications for the new Exchequer 2½ per cent 1986 tap stock were allotted in full at the minimum tender price of £84½.

Yet another Water stock made a successful debut yesterday, West Kent 6.25 per cent Preference (£10-paid) closing at £11¼.

Banks dip & rally

The warning by the OECD of another world banking crisis unsettled the major clearing banks at the opening and early falls to 12 were recorded. However, prices recovered as the day progressed and the closing tone was firmer for choice. Barclays ended unaltered at 470p, after 458p, while Lloyds closed 8 dearer at 528p, after 518p. Midland hardened 2 to 430p, after 420p. Elsewhere, partly in sympathy with the recent rise of Atlantic Computer and on buying ahead of the interim figures scheduled for December 6, United Leasing advanced 12, making a rise so far on the week of 33 at 198p, after 202p. Elsewhere, Guinness Peat closed unaltered at 54p; the 2.95m shares in G.P. owned by the underwriters for the Moorside Trust offer are reported to have been disposed of at around 54p compared with the 40p at which they were taken up.

Still awaiting Allianz's further bid intentions, Eagle Star dropped to 630p before rallying to close only 2 easier on balance at 640p. Elsewhere in Insurances, Sun Life gained 4 to 600p.

Among Recently-issued equities, support ran out for star performer Logica and profit-taking brought a close of 8 lower at 250p. Mebon were unchanged at 99p; the price and movement published in yesterday's issue were incorrect.

The coming dividend season failed to inspire interest among subdued Breweries. Allied-Lyons, mid-term results expected next Tuesday, added 2 more at 150p, but Grand Metropolitan gave up 2 more for a two-day fall of 7. at Cheshire-based Forshaws Burtonwood were marked 10 lower to 395p in reaction to the reduced interim earnings. Spirits turned easier with Distillers, firm of late on the relaunch of Johnnie Walker Red Label, easing 3 to 234p. Arthur Bell gave up a couple of pence to 138p with the 9¼ per cent Convertible 5 points lower at £168. Among Ciders, an upward revision of a broker's profits forecast stimulated support of Merrydown Wine, 25 better at 375p; the first-half results are scheduled for December 5.

News items resulted in a number of Building features. Redland responded to mid-term profits well above market estimates with a rise of 8 to 270p, after 258p, while the increased interim dividend and profits lifted French Keir 5½ to 110p. The late announcement of the bid approach to a major shareholder sparked off strength in Francis Parker, up 11 at 51p, but more than halved first-half profits lowered Burnett and Hallamshire 7 to 168p, after 163p. Heywood Williams were quoted ex-rights at 115p with the new nil-paid at 16p premium. In narrow markets, McCarthy and Stone were raised 17 to 355p and Nottingham Brick 10 to 355p, while Conder International, 52p, and Y. J. Lovell, 142p, gained 4 apiece.

Talk of overseas competition and a broker's writedown of the group saw Amersham slip to 215p before settling a net 5 down at 217p.

The excellent first-half performance from Boots failed to provide a noticeable boost to sentiment among other major Retailers, although occasional support prompted gains of a couple of pence in Marks and Spencer, 220p, British Home, 229p, and Burton, 386p, the last-mentioned continuing to benefit from the encouraging full-year figures and proposed scrip issue. Speculative demand resulted in a couple of firm counters among secondary issues. Executex, 39p, and Stirling, 110p, rose 3 and 5 respectively, while Steinberg, first-half figures due next Wednesday, hardened 2 to 127p. "Shell" situation Kraft Production responded to fresh support in a market acutely short of stock and spurted 30 to 120p.

Strong and Fisher again provided the focal point among Shoes, rising 5 to 75p with the help of call option business.

Plessey improve

Plessey improved 6 to 210p, interest being enlivened by a broker's visit to the company. GEC edged up 3 to 194p, but other leading Electricals were rarely altered. Among the high technology stocks, Atlantic Computers a good market lately on the Lion Systems Developments acquisition, encountered profit-taking and gave up 20 to 410p. In contrast, Continental Microwave, rose 30 to 760p and United Scientific revived with a rise of 18 to 353p. Elsewhere, reports of an analysts' meeting in Hong Kong, prompted a gain of 12 to 167p in BSR. Philcom were quoted ex rights at 30p with the new shares at 4p premium.

Engineerings lacked a decided trend. Haden stood out with a gain of 14 to 209p following renewed support in a thin market, while Spirax-Sarco added 4 at 170p and Porter Chadburn improved 2 to 79p. Davy Corporation, at 38p, retrieved 2 of the previous day's decline of 5 that followed news of the cancelled Thai oil refinery contract. Brockhouse lost 3 to 34p despite the reduced annual deficit and Thomas Locker declined a similar amount to 20p on reduced first-half profits. Babcock remained friendless at 134p, down 4.

Amos Hinton enlivened a drab session in Foods, rising 20 to 270p on demand fuelled by publicity given to the group's own-brand cigarettes introduced earlier this year. Renewed speculative support pushed Meat Trade Suppliers up 6 more to 82p, but higher interim profits failed to excite Argyll, which eased a couple of pence to 140p. Elsewhere, Bio-Isolates came under fresh pressure and slipped to 100p prior to closing 15 down on balance at 105p.

Boots feature

Half-year results well above market expectations brought Boots to the fore with a rise of 10 to 171p, after 174p. Among other leading miscellaneous industrials, Bowater, still reflecting a recent broker's recommendation and hopes of news on the sale of its Canadian interests, advanced afresh to 232p before settling 5 dearer on balance at 228p. Glaxo edged up 7 to 752p. Elsewhere, Extel featured with a jump of 50 to 418p, after 425p, in response to good interim results, while Applied Computer moved up 25 to 485p on overseas orders for the Apricot personal computer. Stocklake rose 10 to 165p in a limited market, but Rotaprint closed a penny lower at 11p on the increased interim loss. Comment on the half-year figures stimulated further support for Johnson and Matthey, which improved 7 more to 224p, while satisfactory trading news left Powell Duffryn 4 to the good at 250p, after 253p. Pauls and Whites, an old take-over chestnut, gained 5 to 265p, but profit-taking left Brook Street Bureau 4 down at 38p. Thermal Syndicate were lowered a similar amount to 36p in an effort to find a trading level. Falls of 4 were also marked against Hanson Trust, 235p, and British Aerospace, 199p, but Diploma improved 5 to 425p ahead of next Tuesday's preliminary statement.

Norton and Opax pleased with increased interim profits and the price rose 5 to 118p. Other leisure issues were little changed but Central TV non-voting went 5 better to 170p.

Motor sectors traded narrowly and generally without distinction with the noteworthy exception of Lex Service, which attracted a lively business and advanced 13 to 363p.

Advertising agents Geers Gross continued to display acute disappointment with the recent first-half statement and shed 9 to a 1983 low of 124p—a fall of 34 since last Friday's announcement. Bunzl, which announced acquisitions in Leeds, New York and Melbourne earlier in the week, rose 4 more to 387p, but David S. Smith came on offer and fell 7 to 73p.

Samuel edged up 2 further to 134p and Stock Conversion rose 4 to 327p, but most other front-line Properties remained at the overnight levels. Revived interest took Stewart Nairn 4 higher to 42p, after 43p, but occasional profit-taking brought Wednesday's high-flier Morland Securities back 7 to 93p.

Financials drifted easier. Losses of 10 were noted for Mercantile House, 372p, Mills and Allen, 325p, and Exco International, 573p. Continued disappointment on the Mercury deal clipped another 10 from stockjobbers Akroyd and Smithers, 490p.

Oil shares remained friendless with quotations tending to drift lower on lack of support. BP gave up 4 to 402p and Britoil closed similarly cheaper at 128p. Shell, however, held steady and again closed unaltered at 556p. Ultramar reacted 15 to 620p in the late dealings, while the third-quarter figures from Tricentrol, down 10 at 188p, failed to inspire. Talks of a rights issue prompted volatile trading in Atlantic Resources, which opened lower at 660p and rallied to 695p before closing 45 down at 655p. Sun (UK) Royalty were also a sensitive market, reacting 40 to 210p on talk of a dry well.

Golds up again

The closure of U.S. markets for the Thanksgiving holiday had the usual effect on internationally orientated sectors of mining markets.

South African Golds were the worst affected as far as turnover was concerned, but continued their recent upturn mainly reflecting small but persistent Johannesburg and London buying interest in thin trading.

The bullion market continued to move narrowly in a disappointing trade, closing around 50 cents cheaper at $375.625 an ounce.

Heavyweights generally made modest progress although particular interest was shown in Hartebeest, almost a point firmer at £43, and Free State Geduld and Western Holdings, which added ¾ apiece at £22½ and £27½ respectively.

Among the medium and lower-priced issues, Harmony edged up ¼ to £12½, and Blyvoor rose 12 to 904p in front of news that uranium mining by both companies may have to be re-assessed.

The Gold Mines index put on 8.8 more to 501.2, extending the gain over the past three days to 23.4.

Financials attracted substantial buying interest with one or two notable exceptions.

In the South African sector, Anglo American Corporation eased ¼ to £10¾ in front of the improved half-year earnings and maintained interim dividend. Gencor fell a like amount to £14¼.

Among the London issues, another satisfactory performance by base-metal prices encouraged persistent demand for Rio Tinto-Zinc which moved up 7 to 577p, and Gold Fields, 4 up at 486p. Hampton Areas attracted institutional support and put on 8 to 205p following the special meeting which approved the issue of new shares.

Charter Consolidated proved a major disappointment and dropped 8 to 220p, reflecting poor results from subsidiary Anderson Strathclyde and lower profits from 27.9 per cent-owned Johnson Matthey.

Australians turned in their best performance for many weeks. Leading diversified mining groups raced ahead, especially Western Mining, 18 up at 258p, CRA, which gained 14 to 362p, and MIM and Peko-Wallsend, which added 10 apiece at 233p and 370p respectively.

The impetus came from overnight domestic markets, where turnover rose sharply, and from the strong performances of a number of base-metals, especially aluminium and copper.

The boost given to Traded Option volume by the expiry of the November series on Wednesday proved all too brief as subdued conditions returned and total contracts struck amounted to only 1,455—the lowest so far this month. Lonrho positions, in receipt of substantial call money recently, attracted 141 trades, while relative newcomer Hanson Trust recorded 128 calls, 100 of which were struck in the December 240's. Puts totalled 497 with 100 done in Imperial Group's May 120s.

FINANCIAL TIMES STOCK INDICES

	Nov. 24	Nov. 23	Nov. 22	Nov. 21	Nov. 18	Nov. 17	year ago
Government Secs.	83.10	83.19	83.46	83.35	83.13	83.14	79.85
Fixed Interest	86.01	86.07	86.17	86.00	85.77	85.69	85.27
Industrial Ord.	726.8	724.4	725.7	718.8	721.4	721.6	600.9
Gold Mines	501.2	494.6	479.8	477.8	495.3	493.0	481.6
Ord. Div. Yield	4.62	4.65	4.61	4.65	4.72	4.72	4.95
Earnings, Yld.% (full)	9.68	9.71	9.71	9.72	9.48	9.40	10.66
P/E Ratio (net) (*)	12.61	12.58	12.57	12.46	13.26	13.22	11.32
Total bargains	19,603	18,035	20,013	20,604	17,902	19,194	22,454
Equity turnover £m.	—	322.00	283.01	198.35	249.31	302.34	245.12
Equity bargains	—	15,747	15,951	16,035	16,991	17,068	20,629
Shares traded (ml)	—	133.0	144.6	119.9	144.0	159.0	149.3

10 am 724.1. 11 am 723.3. Noon 724.6. 1 pm 725.4.
2 pm 726.4. 3 pm 725.8.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35.
Gold Mines 12/9/55. SE Activity 1974.
Latest Index 01-246 8026.
Nil=11.85.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.70 (11/11)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	86.17 (22/11)	79.03 (1/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	740.4 (22/8)	598.4 (12/1)	740.4 (22/8/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	444.5 (1/11)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Nov. 23	Nov. 22
—Daily		
Gilt Edged Bargains	160.5	175.4
Equities Bargains	108.0	109.6
Equities Value	448.7	450.8
5-day Avrge		
Gilt-Edged Bargains	157.7	155.3
Equities Bargains	105.9	107.9
Equities Value	482.3	489.4

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov 21	Dec 2	Feb 23	Mar 5
Dec 5	Dec 16	Mar 8	Mar 19
Dec 19	Jan 6	Mar 22	Apr 2

For rate indications see end of Share Information Service

Declaration day prompted increased support of Options with calls transacted in Aspinall, Wace, Eagle Corporation, Charterhall, Burmah Oil, Strong and Fisher, Brunswick Oil, First National Finance, Mersey Docks, British Aerospace, Davy Corporation, Barrie Investments, Barratt Developments, Kwik-Fit, London and Northern, Oil and Gas Production, Celtic Haven, Hong Kong and Shanghai Banking, Suter, Phoenix Properties and Finance and Carclo Engineering. A put was done in Sun Oil Royalties, but no doubles were reported.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	7	80	38
Corpns. Dom. and Foreign Bonds	16	6	63
Industrials	191	279	920
Financial and Prop.	81	108	333
Oils	16	31	65
Plantations	1	7	12
Mines	59	27	79
Others	53	48	75
Totals	426	588	1,574

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Atlantic Res	655	−45
Barratt Devs	172	− 2
Boots	171	+10
Eagle Star	640	− 2
French Kier	110	+ 5½
Lex Service	363	+11
Redland	270	+ 8
Sun Oil (UK) Rylty	210	−40
Tricentrol	188	−10
United Leasing	196	+12
United Scientific	353	+18
Western Mining	258	+18

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Wed. close	Day's change
Atlntc Cmps N	17	430	+18
Davy Corp	13	36	− 3
ICI	13	604	− 2
Shell Trans	13	556	—
Ultramar	13	635	− 3
Common Bros	12	135	+25
Eagle Star	12	642	+ 2
Jhnsn Matthey	12	217	+ 8
Metal Box	12	282	− 8
Morland Secs	12	100	+23
Oil & Gas Prdn	12	54	+ 8
Smurfit (Jeff)	12	120	+ 3
Aquinnil New	11	165	− 8
Lon & Man Grp	11	456	+18

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (73)

NEW LOWS (19)

[illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Thur Nov 24 1983 — Wed Nov 23 — Tues Nov 22 — Mon Nov 21 — Fri Nov 18 — Year ago (approx)

[illegible]

FIXED INTEREST

[illegible]

EUROPEAN OPTIONS EXCHANGE

Series		Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
GOLD C	$375	43	16	31	98	1	37	$375.50
GOLD C	$400	36	7	42	16	—	—	"
GOLD C	$425	5	3	81	7.50	—	—	"
GOLD C	$450	7	2	5	4.80	—	—	"
GOLD P	$350	60	4	2	5.50	—	—	"
GOLD P	$375	99	10.10	17	13	—	—	"
GOLD P	$425	20	47	—	—	—	—	"

[illegible]

TOTAL VOLUME IN CONTRACTS: 4,844

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Jan.	Calls Apr.	Calls July	Puts Jan.
Brit. Petroleum (*406)	390	89	38	46	2
	420	13	24	30	24
	460	4	10	14	58

[illegible]

Nov. 24. Total Contracts 1,455 Calls 958. Puts 497
* Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

LOANS—continued

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. & LEASING

BANKS—Continued

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
305	228	Johnson Grp. 10p	236	−2	6.0	[illegible]	3.6	8.8
102	87	Jourdan (T.) 10p	94	.....	5.6	[illegible]	8.5	13.0
64	39	Kalamazoo 10p	48	−2	3.33	[illegible]	9.9	8.1
60	35	Kean & Scott Hldgs.	50	.....	M1.0	[illegible]	2.1	—
23	9¼	Keep Trust 5p	12¼	.....	40.15	[illegible]	[illegible]	—
220	140	Kelsey Inds.	185	.....	8.0	[illegible]	6.2	12.7
155	110	Kershaw (A.) 5p	145	.....	115.0	[illegible]	[illegible]	[illegible]
80	39	Klees-E-Ze Hldgs.	69	.....	3.0	[illegible]	6.2	—
101	52	L.C.P. Hlds.	83	−1	5.6	[illegible]	6.4	(22)
32	14	LDH Group	25	−1	[illegible]	[illegible]	[illegible]	[illegible]
132	93	L.R.C. Int. 10p	113	.....	††2.95	[illegible]	3.8	12.6
54	17	Lamont Hldgs. 10p	32	.....	†2.3	[illegible]	5.8	12.6
41	26	Lawtex	40	.....	—	—	—	[illegible]
400	345	Lep Group 10p	450	+5	17.5	0.3	5.6	61.8
48	22	Lilleshall 10p	44	.....	d1.0	—	3.2	—
350	38	Lon. & Liv. 10p	38	−2	h2.73	3.1	10.5	3.4
135	97	London & Mid'd.	110	.....	7.75	1.1	10.1	12.3
110½	38	Lon. & Nthn. Grp.	73	.....	F4.2	2.0	[illegible]	10.3
40	23	Lon. Priv. Health	23½	−½	—	—	—	11.8
65	46	Longton Inds.	64	+1	1.0	—	[illegible]	—
122	70	Low & Bonar 50p	122	+2	15.0	2.8	5.5	(6.9)
48	32½	MCD Group	44	−1	d1.0	2.2	[illegible]	20.1
92	62	MMT Computing 5p	90	.....	d1.60	2.6	2.7	21.0
26	16	M.Y. Dart. 10p	19½	−½	10.25	—	1.9	—
212	134	M'c'rthy Ph. 20p	140	.....	7.0	2.7	7.1	6.6
148	128	Macfarlane Gp.	131	.....	†3.52	[illegible]	[illegible]	[illegible]
46	23	Macliellan 20p	34	.....	d2.5	[illegible]	6.5	[illegible]
63	31	Macpherson (D.)	35	+3	4.2	[illegible]	[illegible]	[illegible]
66	41	Magnolia Group	52	.....	2.3	[illegible]	[illegible]	6.1
180	65	Man. Ship Can. £1	142	.....	3.5	[illegible]	[illegible]	4.3
77	48	Marley	74	+1	†2.5	[illegible]	[illegible]	[illegible]
45½	30½	Marling Ind. 10p	43	+1	1.08	1.7	3.6	[illegible]
34	25	Marshall L'sy. 'A'	26	[illegible]	d1.2	—	[illegible]	—

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's

Australians

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible]

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

[illegible]

OPTIONS

3-month Call Rates

[illegible]

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 39

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

Baring Brothers & Co. Ltd.				
8, Bishopsgate, EC2N 4AE.				01-283 8833
Stratton Trust	374.0	395.0	....	3.84
Do. Accum.	549.6	572.8	....	3.84
Next sub day December 6 (by noon)				
Bishopsgate Progressive Mgmt. Co.				
66 St James's Street, SW1A 1NE. 01-493 8111.				
B'gate Prog Nov 8	471.2	507.7	....	2.00
Acc Units Nov 8	621.5	669.6	....	2.00
B'gate Int Nov 15	598.0	635.9	....	1.30
Accum Nov 15	711.6	756.7	....	1.30
Beckman Nov 23	136.5	144.6	....	—
Car. & For. Nov 17	76.0	81.3	....	2.05
Accum Nov 17	77.4	82.6	....	2.05

North American	[illegible]	[illegible]	....	[illegible]
Canadian Trust	71.1	76.5	....	1.91
Mid Mouse High Inc.*	51.7	53.9	....	7.82
Recovery	82.6	89.1	−0.2	2.13
Gilt Trust	40.3	41.4	....	9.48
*Weekly dealing day Wednesday.				
Crescent Unit Tst. Mngrs. Ltd. (a)(g)				
4 Melville Cres., Edinburgh 3				031-226 3492
Cres. American	63.4	68.4	+0.4	1.24
Cres. Capital	43.3	46.7	....	1.87
Cres. Growth & Inc.	74.1	80.8	−0.2	5.11
Cres. High Dist.	60.0	64.8	−0.1	7.72
Cres. International	122.8	132.6	+0.4	1.04
Cres. Resources	25.0	26.9	....	2.23
Cres. Tokyo	53.0	57.4	+0.5	0.29

[illegible]

INSURANCES

[illegible]

Authorised Units—continued

Atlanta Unit Managers Ltd				
1 Founders Ct. Lothbury EC2. 01-600 6664				
Jan Far East	47.6	51.2	....	—
Baillie, Gifford & Co Ltd				
3 Glenfinlas St. Edinburgh.				031-225 2581
JapExNov25	147.2	155.1	....	0.32
IntEx*Nv16	325.9	336.3	....	1.51
BGPPN*615	214.2	225.5	....	1.51
†Next dealing day.				
*Unauthorised.				
Equity & Law Un Tst Mngrs (a) (b) (c)				
Amersham Rd. High Wycombe. 0494 33377				
Euro Tst Acc	61.4	66.0	+0.2	1.55
Robert Fleming & Co Ltd				
8 Crosby Square, EC3A 8AN. 01-638 5858				
AmExFd*	£268.88	274.67	....	0.85
JapExFd*	£162.63	167.74	....	1.14
Next subscription day Dec 1 1983.				
*Fleming American Property Unit Trust				
Latest issue price (15/11) US$10.621.				
Units are issued on Feb 15, May, Aug, Nov.				
*Fleming Property Unit Trust.				
Latest issue price (29/01) £2.070.				
Units are issued on March 25, June 24, Sept 29 & Dec 25.				
*Unauthorised.				
Guardian Royal Ex Unit Mngrs Ltd (a)				
Royal Exchange EC3V 3LS.				01-638 2020
Gilt & Fixed	116.7	121.3	−0.3	9.80
Growth Eq	100.2	107.8xd	−0.5	2.53
Guardhill	182.4	189.0	−0.3	3.35
Nth Amer	97.0	104.4xd	−0.5	1.73
Pacific	105.7	113.7xd	−0.2	0.37
Prop Shares	105.0	115.0	+0.4	2.04
Small Cos	109.8	117.7xd	−0.1	2.04
H.B.L. Unit Trust Mngrs Ltd (a) (c) (g)				
Premier UT Admin, 5 Rayleigh Rd, Hutton, Brentwood, Essex.				0277-227300
Smllr Cos Tst	52.6	52.6	....	5.20
Nth Amer	48.8	51.9xd	+0.2	2.00
Japan Far Tst	54.1	57.5xd	+6.1	0.80
Scandinvn Tst	47.8	60.8	+0.1	1.47
Hexagon Services Ltd				
4 Gt St Helens, London EC3P 3EP.				0708 45322
Aust Frst	110.2	116.0	....	2.43
Brewin Cap	85.8	90.2	....	0.58
Brewin Int	76.5	83.6	....	5.90
Canada Grw	109.5	117.8	....	0.08
Lawson Fund Managers Ltd (a) (c) (g)				
43 Charlotte Sq. Edinbgh 2.				031-226 6001
Charitt Sq Fd	56.0	58.0	....	4.5
Pen Shr Fd	14.0	15.0	....	1.8
Aust & Pac	8.2	0.0	....	0.6
High Yield	10.6	21.1xd	+0.2	11.5
Do Accum	21.1	22.6xd	+0.3	11.5
London & Manchester (Tst Mgmt) Ltd				
72-80 Gatehouse Rd. Aylesbury. 0296 5041				
Gen Tst	—	25.6	....	—
MGM Unit Managers Ltd				
MGM House, Heene Road, Worthing.				01-625 8211
High Inc	127.2	136.8	−0.7	6.68
(Accum Uts)	133.2	143.2	−0.8	6.66
UK Growth	120.6	120.7	−0.5	3.27
(Accum Uts)	122.1	131.3	−0.5	3.27
MLA Unit Trust Management Ltd				
Old Queen St. SW1A 9JG.				01-222 8570
MLA Uts	188.3	197.3	....	2.71
MLA Int	28.9	30.5	....	0.02
The Money Market Trust				
63 Qn Victoria St. EC4N 4ST.				01-236 0952
7 Day Fund	—	—	....	8.85
Call Fund	—	—	....	8.72
*Unauthorised—Sterling Deposit Fund.				
Scottish Unit Managers Ltd				
20 Charlotte Sq. Edinburgh.				031-226 4572
Pacific Fund	26.4	28.6	+0.2	0.50
World Growth	—	—	..	—
Nth Amer	24.9	27.6	+6.4	0.36
Income Fund	23.9	25.0xd	...	6.07

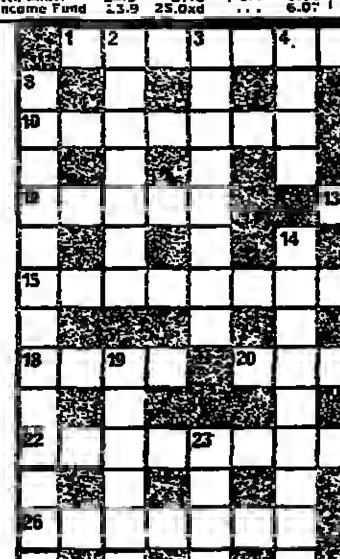
Offshore & Overseas—continued

[illegible]

Insurances—continued

[illegible]

F.T. CROSSWORD PUZZLE No. 5,278



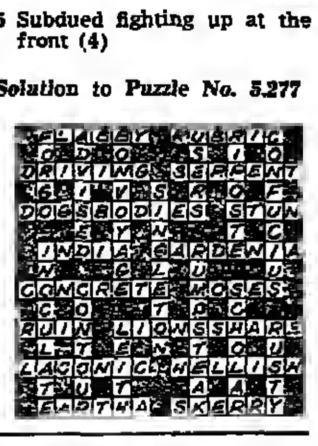
ACROSS

1 Not present, and objected to being miles away (6-6)
10 Ignore the young lady with the old blade (7)
11 Poem which is music to the ear (7)
12 I try to be serious: but it needs a stout heart! (5)
13 Warehouse worker from Stanmore (8)
15 Opinion on whether hawthorn will flower? (3-7)
16 Press Club (4)
18 Reduce court area (4)
20 Indifference to detail (10)
22 Consider the act finished (4, 4)
24 Approaches Pole with spikes on (5)
26 Make short work of new pound note (7)
27 She and roue get together in order to settle elsewhere (7)
28 He corresponds with dispatch clerk (6-6)

DOWN

2 Storeplace for provisions like processed cream (7)
3 Triumphantly topless at long last (8)
4 Part of report as supplied by news agency (4)
5 It's illogical to reorganise rail and not air (10)
6 Has a gift to act and no more (5)
7 Visionary is bore in the German version (7)
8 Making space available is helpful (13)
9 Declining to select stronger competitors after appearing in race (7, 2, 4)
14 The idiot always had a meal in state (10)
17 Chinese take-away? (8)
19 About to tangle with a small ship (7)
21 Put a time on inevitable *obliteration* (7)
23 Young flier uses knotted towel (5)
25 Subdued fighting up at the front (4)

Solution to Puzzle No. 5,277



حكمة منذ الأصول

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.

British National Life Assurance Co. Ltd.

Canada Life Group

Cannon Assurance Ltd.

Capital Life Assurance

Chieftain Assurance Funds

City of Westminster Assurance

Clerical Medical & Gen. Life Ass. Soc.

Clerical Medical Managed Funds Ltd.

Commercial Union Group

Confederation Life Insurance Co.

Continental Life Insurance PLC

Cornhill Insurance PLC

Credit & Commerce Life Ass Ltd

Crescent Life Assurance Co. Ltd.

Crown Life

Crusader Insurance PLC

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

G.T. Management Ltd.

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Gresham Unit Ass. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance P.L.C.

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London & Manchester Gp.

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

Multiple Health and Life Assur. Co. Ltd.

NEL Pensions Ltd.

National Provident Institution

New Zealand Ins. Co. (U.K.) Ltd.

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Pearl Assurance (Unit Linked Pensions) Ltd.

Phoenix Assurance Co. Ltd.

Pioneer Mutual Insurance Co. Ltd.

Premium Life Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capital Life Ass. Co. Ltd.

Provident Mutual Life Assc. Assn.

Provincial Life Assurance Co. Ltd.

Prudential Assurance Co.

Prudential Pensions Limited

Refuge Investments Limited

Reliance Mutual

Royal Life Insurance Ltd.

Save & Prosper Group

Schroder Life Assurance Ltd.

Scottish Amicable Investments

Scottish Equitable Life Assc. Soc.

Scottish Mutual Assurance Society

Scottish Widows' Group

Standard Life Assurance Company

Sun Alliance Insurance Group

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

TSB Life Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Windsor Life Assur. Co. Ltd.

OFFSHORE AND OVERSEAS

Adig Investment

Albany Fund Management Limited

Andover Futures Ltd.

Arbuthnot Securities (C.I.) Ltd.

B.I.A. Bond Investments AG

Bank of America International S.A.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Intl. Investment Mngmt. Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital Asset Management Ltd.

Capital International Fund S.A.

Cater Allen Investment Management (C.I.)

Charterhouse Japhet

Charterhouse Japhet Currency Mngt. Ltd.

Cornhill Ins. (Guernsey) Ltd.

Cortecs International

Craigmount Fixed Int. Mngrs. (Jersey)

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dewey Lambert

Dreyfus Intercontinental Inv. Fd.

Duncan Lawrie Inv. Mgt. Ltd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Ermitage Management Ltd.

Eurobond Holdings N.V.

Euro-Dollar Obligations S.A.

Eurotex Investments Ltd.

Executive Life (C.I.F. Managers Ltd.)

F & C Mgmt. Ltd. Inv. Advisers

Fidelity International

Fleming Japan Fund S.A.

Frankfurt Trust Investment-GmbH

G.T. Management (U.K.) Ltd.

Gartmore Fund Managers

Gartmore Fund Managers (IOM) Ltd.

Assicurazioni GENERALI S.p.A.

Granville Management Limited

Grindlay Henderson Mngt. Ltd.

Guinness Mahon Int. Fund (Guernsey)

Hambro Pacific Fund Mgmt. Ltd.

Hambros Fd. Mgrs. (C.I.) Ltd.

Henderson Admin. & Man. (Guernsey)

Henderson Baring Group

Hill-Samuel & Co. (Guernsey) Ltd.

Hill Samuel Investment Mgmt. Intnl.

HK Fund Managers (Jersey) Ltd.

I.C. Trust Managers Ltd.

N.V. Interbeheer

International Bond Trust

Invicta Investment Management

Jardine Fleming & Co. Ltd.

Leopold Joseph & Sons (Guernsey)

Kleinwort Benson Group

Korea International Trust

Daehan Investment Trust Co.Ltd.

Lazard Brothers & Co. (Jersey) Ltd.

Lloyds Bank (C.I.) U/T Mgrs.

Lloyds Bank International, Geneva

Lloyds Bank International, Guernsey

Louis Dreyfus Commodity Fund

M & G Group

Midland Bank Tst. Corp. (Jersey) Ltd.

Minerals, Oils Res. Shrs. Fd. Inc.

Samuel Montagu Ldn. Agents

Murray, Johnstone (Inv. Adviser)

Nat. Westminster Jersey Fd. Mgrs. Ltd.

Negit S.A.

N.E.L. International Ltd.

Newport International Management

Norwich Union Insurance Group

Norwich Union Trust Managers Ltd.

Northgate Unit Tst. Mgrs. (Jersey) Ltd.

Pacific Basin Fund

Phoenix International

Providence Capital International Ltd.

Quilter/Heinold Commodities

Rea Brothers (IoM) Ltd.

Richmond Life Ass. Ltd.

Rothschild Asset Management (C.I.)

Rothschild Australia Asset Mgt Ltd.

Royal Bank of Canada Funds

Royal Trust Intnl. Fd. Mngt. Ltd.

SCI/Tech S.A.

Save & Prosper International

J. Henry Schroder Wagg & Co. Ltd.

Schroder Unit Trust Mgrs. Int. Ltd.

Scrimgeour Kemp-Gee Mngmt., Jersey

Securities Selection Ltd.

Sentry Assurance International Ltd.

Singer & Friedlander Ldn. Agents

Strategic Metal Trust Mngrs. Ltd.

Stronghold Management Limited

Surinvest (Jersey) Ltd.

TSB Trust Funds (C.I.)

Tokyo Pacific Holdings N.V.

Tokyo Pacific Hldgs. (Seaboard) N.V.

Tyndall Bank (Isle of Man) Ltd.

Tyndall Group

M. & G. Tyrrell & Co. Ltd.

Union-Investment-Gesellschaft mbH

Vanbrugh Fund Mngmt. Intl. Ltd.

S. G. Warburg & Co. Ltd.

Warburg Invest. Mngt. (I.O.M.) Ltd.

Warburg Invest. Mngt. Jrsy. Ltd.

Wardley Investment Services Ltd.

WestAm Secs (Guernsey) Ltd.

World Wide Growth Management

Wren Commodity Management Ltd.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ★ Yield column shows annualised rate of NAV increase.

COMMODITIES AND AGRICULTURE

UK wheat and barley exports fall

By John Cherrington

BRITAIN'S wheat exports are languishing after a near record harvest.

Some 233,000 tonnes of wheat had been exported up to November 11, against 575,000 tonnes in the same period last year.

Barley exports are also down but not to the same extent. This has kept the price of wheat down to the levels reached in early September, but is has done little to reduce the exportable wheat surplus which this year is calculated to be 2.7m tonnes.

One problem is that because of the strength of sterling, British wheat is expensive compared with French and German grain. There are also quality problems, with reports that UK wheat cargoes have been rejected in at least one market, Algeria.

EEC intervention stores could well be a destination for UK wheat if exports continue to flag. So far, no feed wheat and very little barley has been consigned in that direction, but some undoubtedly will be before long.

Iran in record NZ lamb deal

BY DAI HAYWARD IN WELLINGTON

IRAN will buy 140,000 tonnes of New Zealand lamb this season in a deal which could be worth NZ$400m (£180m).

The sale is a record to Iran and confirms Iran's position as New Zealand's second biggest customer for lamb. There are political undertones to the deal. The Iranian delegation referred particularly in a public statement to Iran's appreciation of New Zealand's refusal to join the U.S.-led trade boycott of Iran.

The Iranian negotiators said: "The Iranian authorities appreciate the position taken by the New Zealand Government and the Meat Board in respect of the Iranian Islamic revolution. It especially appreciates New Zealand's refusal to join the economic boycott of Iran."

There was a close understanding between the two countries. International bodies in both Iran and New Zealand wished to further expand trade and economic co-operation not only in meat but also in other commodities.

Signing the deal so early in the season is a big boost for the Meat Board, which believes prices in Britain and other markets will increase because of the Iran contract. It also removes any possibility of pressure on cold store facilities. The meat, which will be killed according to Moslem religious rights will start going to Iran before Christmas.

New Zealand expects to produce about 420,000 tonnes of export lamb this season. Shipments to Britain and the EEC countries are limited to 245,500 and the Meat Board expects to fill this quota. The Iranian purchase is at least 20,000 tonnes more than last season.

The deal will be paid for in cash. Iranian representatives recall that two years ago the meat contract was based on a barter agreement of oil for lamb with New Zealand being paid for its lamb from the proceeds of oil shipments sold through a third party.

Iran's economy has improved and it is no longer interested in barter contracts. It is the first time negotiations have been held in Wellington. The talks lasted more than a week.

Aluminium advances strongly

By John Edwards, Commodities Editor

ALUMINIUM values advanced strongly on the London Metal Exchange yesterday following a surge of speculative buying interest.

The three months quotation jumped by £24.75 to £1,074.75 a tonne, closing near the high of the day.

Traders said that speculative interest in aluminium was revived by the recent firm trend in copper and prices breaking through a significant chart buying point.

Lead, nickel and zinc moved up in sympathy with aluminium, but copper was hit by some heavy selling by a major commission house in the afternoon that eroded the earlier gains.

● U.S. FOOD prices remained stable in October and are expected to remain so for several months, the agriculture department said.

● MALAYSIAN crude palm oil output in September fell to 286,585 tonnes, from 293,908 tonnes in August and 375,844 in September last year.

● FUTURES trading in silver and platinum is likely to start from late January on the Tokyo gold exchange, exchange officials said.

■ THE Association of tin producing Countries will hold its next executive council meeting in the Malaysian tin-mining town of Ipoh from January 9 to January 11.

● MALAYSIA raised total export duty on most grades of rubber to 22¾ cents a kilo from 22¼.

● SOME SOUTH African imports of U.S. maize have been declared unfit for human consumption, because they contain unacceptable levels of Aflatoxin, which is produced by a fungus, health and agriculture officials said. The amount affected was not revealed, but trade sources said the amount was not large or unusual.

Case for seeking self-sufficiency in the developing countries

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

APOLOGISTS FOR the excesses of both production and costs of the Common Agricultural Policy are quick to point to world hunger and increasing populations as a justification for the burden which the CAP places on almost everyone who is not a *farmer*.

But this attitude is pretty hypocritical to say the least.

There is no doubt that the developed countries of the West are responsible to a degree for much of the present situation. Up to now the results of applying technology have not always been in the best interests of the people on which it was imposed. Previously, most developing world farming was for self sufficiency. It was most inefficient by modern standards, and involved a great waste of land resources — but it worked.

Then came plantation farming, coffee, rubber, sugar, tea and so on. This destroyed the older, more inefficient types of farming, but at the same time, it created a rural proletariat often dependent on buying, rather than growing their own food. It also created an urban proletariat for whom little work could be found. This process is still going on.

I am convinced the prime cause of the problem is the legacy of colonialist exploitation, but it is being compounded by the governments of many of these countries themselves. Very few of them lack within their boundaries the resources at least to feed and clothe their people. Such areas as the Sahel are not representative of the whole. In some, the advent of *freedom has meant a decline in* their own food production particularly in Africa. Several have to import foods which were once exported.

One cause has been the replacement of plantation type farms by smallholdings. One *can applaud the social idealism* of the smallholding principle, but after visiting examples in a great many countries where they have been established it appears that they do reduce overall food production.

Nor does it help matters if governments are persuaded that their new found freedom requires the purchase of modern weaponry to sustain it, or indeed the installation of a national airline. And, of course, there is the ever present danger of corruption and instability. Here, again, there is a degree of responsibility on the western nations. First, perhaps for denying them a build-up of responsibility, and then by cutting the link too quickly.

There is no easy solution. One cannot deny undeveloped countries penicillin and anti malarial medicine, nor force their governments to institute sensible farming policies based on national subsistence. Nor can one deny them food aid—although such a course might stimulate some to better efforts.

The only country which has contained, I would not say solved, the hunger problem, is China, where by good farming, rigorous rationing and a considerable denial of liberty the huge population is kept in good health and adequately clothed. But for how long will this system be acceptable? Man does not live by bread alone.

Indian sugar exports go over quota

By P. C. Mahanti in Calcutta

INDIA has concluded contracts for 700,000 tonnes of sugar exports so far this year, against an International Sugar Organisation quota of 650,000 tonnes. And 400,000 tonnes of the contracted quantity have already been shipped.

According to Mr P. C. Luthar, chairman of the state trading corporation, which is the only authorised agency to conclude sugar export deals, further efforts are being made to increase exports. Negotiations are being conducted with several importing countries including Algeria, Egypt, Sudan, Tunisia, Yemen and China.

Indian sugar output during the season ending in October totalled 7.5m tonnes against record harvests of 8.2m tonnes and 8.4m tonnes during the two previous seasons.

India's internal consumption is estimated at 6m tonnes annually. The country is carrying a huge surplus stock.

Reuter adds: India will hold a selling tender of 200,000 tonnes of white sugar in London on November 30, an official of the State Trading Corporation said.

The proposed sale will be the first offer made of 1984 sugar and will be adjusted against an international export quota of 1m tonnes which India has sought from the International Sugar Organisation.

● The U.S. Agriculture Department said it had proposed a rule that would allow U.S. manufacturers to import sugar outside the existing quota system to make polyhydric alcohol, an organic solvent used to produce some chemicals.

Under the proposal, U.S. manufacturers would be able to buy sugar at world prices, which are currently about 8 cents a pound, compared with the U.S. price of about 22 cents a pound.

Meat output set to rise

TOTAL MEAT and poultry production in selected major producing nations will rise to 105.6m tonnes next year from 104.9m this year, the U.S. agriculture department said.

It forecasts beef and veal output in 49 countries at 40.08m tonnes, down from 40.35m tonnes expected this year.

Beef output is expected to decline in the U.S., Canada, Uruguay, Australia and New Zealand, while a rise is predicted in the Soviet Union, Argentina, and in east and western Europe.

Xmas tree demand rises

BY BARBARA DALZELL

BRITAIN WILL import more than 1m Christmas trees this year because of increased demand for natural trees, says the British Christmas Tree Growers' Association.

Major-General T. Richardson, secretary of the association, says there has been a move away from artificial Christmas trees in the past three years. Demand last year was for between 3.5m and 4m trees and is expected to be about the same or higher this Christmas.

Most of the imported trees will come from Belgium, Denmark or the Netherlands, but the association warns that quality might not be as high as home grown trees because of the time they have spent being shipped here and stored.

The association is urging its members to mark their trees with labels showing that they are home grown and should, therefore, be fresh.

Christmas trees are expected to retail at between £1 and £1.20 per foot, so a five-foot tree will cost about £6. The total value of the retail market is about £20m-£25m.

UN seeks plant breeding agreement

THE UNITED NATIONS Food and Agriculture Organisation has resolved at a meeting in Rome to set up an international agreement aimed at giving developing countries free access to plant breeding research.

A resolution, proposed on Wednesday by Mexico but which has no binding force, called on nations to colaborate closely in the exploration, protection, evaluation and use of plant genetic resources.

It followed two days of sometimes stormy debate at FAO's biennial governing conference and was approved by consensus.

The move was first suggested two years ago following accusations by developing countries that richer nations exploit their seed resources.

The U.S. has also been accused of preventing access to improved grain varieties as a political weapon against governments of which it disapproves, such as Afghanistan and Nicaragau.

Approval of the resolution was one of the last acts of the three-week conference, which unanimously agreed a budget of $421m for administrative and technical costs of agricultural aid over the next two years, a rise from the previous two-year figure of $368m.

FAO officials said the resolution on access to plant research was one of the most important results of the conference.

Exchange of seeds and plant breeding information is carried out informally by an FAO-based international board for plant genetic resources. The resolution is designed to strengthen this system.

U.S. officials said the undertaking made no allowance for the rights of plant breeders, often private companies which invested heavily in research to develop high-yield crops. Reuter

PRICE CHANGES

In tonnes unless stated otherwise	Nov. 24 1983	+ or —	Month ago
Metals			
Aluminium	£1050	....	£1050
Free Mkt	$1485/1515	..	$1530/550
Copper			
Cash h grade	£960	+1	£919
3 mths	£988.75	+1	£941.25
Cash Cathode	£951	—0.5	£899.5
3 months	£973	—1	£923
Gold troy oz	$375.625	—0.5	$383.625
Lead Cash	£276.75	+4.75	£280.25
3 months	£286.375	+4.625	£290.125
Nickel	£4646.34	.....	£4646.34
Free mkt	205/235c	......	215/235c
Palladium oz	$146.00	......	$139.75
Platinum oz	£265.45	—0.10	£254.35
Quicksilver†	$305/310	—5	$320/330
Silver troy oz	577.50p	—4.05	575.80p
3 mths	590.00p	—4.35	588.00p
Tin cash	£8685	+5	£6575
3 month	£8807	+0.5	£8655.5
Tungsten	$78.12	....	$85.79
Wolfr'm 22.04 lb	$69/73	....	$78.82
Zinc Cash	£578	+9.5	£590.75
3 mths	£592.75	+2.5	£604.75
Producers	$950	......	$925

	Nov. 24 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$900y	......	$890
Groundnut	£900y	......	:
Linseed Crude	£425v	...	:
Palm Malayan	$665v	+5	$660
Seeds			
Copra Phil	$600x	+10	$575
Soyabean (U.S.)	$310	+4	$328
Grains			
Barley Fut. Mar	£122.20	+0.10	£120.10
Maize	£146.50u	....	£140.00
Wheat Fut. Mar	£123.00	.....	£124.40
No3 Hard Wint	‡	.....	‡
Other commodities			
Cocoa ship't*	£1673	+15	£1487.9
Fut. March	£1625.5	+9	£1415.5
Coffee Ft. Jan.	£1924	+10.5	£1848.5
Cotton A.Index	89.05c	—0.55	88.75c
Gas Oil. Dec	$246.5	+2.75	$252.25
Rubber kilo	82.5p	—1	77.5p
Sugar (Raw)	£140yv	..	£145
Woolt'ps 64s	405p kilo	+2	401p kilo

‡ Unquoted. o Dec. v Jan. c Dec-Jan. y Nov-Dec. † Per 76 lb flask. * Ghana cocoa. n Nominal. o Cents per pound.

LONDON OIL

Firmness in the physical market caused gas oil to rise steadily through the day after opening a shade weaker.

Crude oil also firmed, gaining support from the physical market and the steadier gas oil, reports Premier Man.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.05-28.20	+0.05
Iranian Light	27.75-28.00	+0.02
Arab Heavy	26.10-26.20	+0.05
North Sea (Forties)	28.45-28.65	+0.08
North Sea (Brent)	28.60-28.70	+0.05
African(Bonny Light)	28.80-29.25	+0.05
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	281-288	—4.0
Gas oil	245-255	—1.0
Heavy fuel oil	105-107	—

CRUDE OIL FUTURES

Month	Yest.day's close	+ or —	Business Done
	$ U.S. per brl		
Feb	28.64	+0.14	28.64-28.55
Mar	28.59	+0.16	28.59-28.45
Apr	28.53	+0.17	28.53-28.40
May	28.50	+0.21	28.50-28.30

Turnover: 169 (163) lots of 1,000 barrels.

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Nov	248.00	+3.80	245.50-40.75
Dec	246.50	+3.75	246.50-45.00
Jan	246.00	+3.50	246.00-43.25
Feb	245.75	+3.00	244.00-41.50
Mar	259.25	+1.75	239.50-36.70
April	236.00	+3.25	236.00-33.50
May	235.25	+2.25	233.50-33.00
June	233.50	+0.50	—
July	233.00	—1.00	230.00

Turnover: 1,749 (2,261) lots of 100 tonnes.

GOLD MARKETS

Gold fell $½ an ounce from Wednesday's close in the London bullion market yesterday to finish at $375¾-376. The metal opened at $375-375½ and traded between a high of $375¾-376½ and a low of $374¾-375½. Trading was extremely quiet and featureless with the closure of U.S. centres for Thanksgiving Day.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was fixed at $375.75 from $375.90.

In Frankfort gold was fixed at DM 32,770 per kilo ($376.52 per ounce) from DM 32,620 ($377.23) and closed at $375¾-375¾ from $375¾-376.

In Paris the 12½ kilo bar was fixed at FFr 99,100 per kilo ($374.36 per ounce) in the afternoon compared with FFr 99,500 ($375.75) in the morning and FFr 99,200 ($376.45) on Wednesday afternoon.

In Zurich gold finished at $375½-376 from $375-378.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Dec	370.50-76.5	—0.55	377.00-75.7
Feb	382.00-82.7	+0.15	381.80-81.4
April	388.00-88.8	+0.05	—
June	394.30-94.7	—0.15	—
Aug	400.20-00.7	—0.65	—
Oct	406.20-06.7	....	—

Turnover: 248 (375) lots of 100 troy ounces.

Gold Bullion (fine ounce)	Nov. 24		Nov. 23	
Close	$375¼-376	(£256-256½)	$375¾-376½	(£255½-255¾)
Opening	$375-375¼	(£256-256½)	$375¼-370½	(£255¼-255¾)
Morning fixing	$375.75	(£256.345)	$375.75	(£255.230)
Afternoon fixing	$375.50	(£255.965)	$376.75	(£255.436)

Gold and Platinum Coins Nov. 24					
Krugrnd	$387¼-387¾	(£264¼-264¾)	King Sov	$92½-94	(£63-64)
½ Krg	$199½-200¼	(£130¼-135¾)	Victoria Sov	$92½-94	(£63-64)
¼ Krg	$101½-102½	(£69½-70)	French 20s	$73½-75¼	(£50¼-51¼)
1/10 Krug	$41½-42¼	(£28¼-28¾)	50 pesos Mex	$456-458	(£311¼-312½)
Mapleleaf	$387-387½	(£264½-264¾)	100 Cor. Aust	$367-371	(£250½-253¼)
New Sov	$88¼-89	(£60½-60¾)	$20 Eagles	$530-540	(£361¾-368¾)
½ New Sov	$53-53½	(£36¼-36¾)	Noble (Plat)	$400-404¼	(£273-276)

EUROPEAN MARKETS

ROTTERDAM, Nov 24.

Wheat—(U.S. $ per tonne): U.S. two red winter Jan 155.50, Feb 157.50, Mar 158.50, April 160. U.S. two northern spring 14 per cent protein Dec 186.50, Jan 189, Feb 189.50, Mar 189.50, April/May 179. U.S. three amber durum April/May 198, June 200. Canadian western spring Nov 15/Dec 15 208, April/May 212.

Soyabeans—(U.S. $ per tonne): U.S. two yellow gulfports afloat 302.75, Nov 304, Dec 305.50, Jan 308.70, Feb 312.50, Mar 316.60, April 319.50, May 321, Oct 271.25, Nov 270.90, Dec 275.25, Jan 279.40 sellers.

Maize—(U.S. $ per tonne): U.S. three yellow afloat 158, Nov cif Ghent 157, Dec 155, Jan 156, Feb 157.50, Mar 157.50, Jan/Mar 157, April/June 157.50 sellers. Argentine Plate afloat 173, Dec 178 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 250, Nov 250, Dec 252, Jan 259, Feb 263.50, Mar 266.50, Jan/Mar 253, April/Sept 259, Nov/Mar 1984/85 230 sellers. Pellets Brazil afloat 270, Nov 271, Dec 278, Jan/Mar 284, April 273, April/Sept 265, May/Oct 263, Oct/Dec 249 sellers. Pellets Argentine afloat 258, mid-Nov/mid-Dec 258.50, Dec 265, Jan 270, Feb 275.

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES were generally firmer on the London Metal Exchange despite the absence of any sizeable U.S. interest—New York markets were closed for the Thanksgiving Day holiday. Aluminium values surged ahead in heavy trading as chartist buying triggered heavy short covering and lifted forward Aluminium from an opening £1,064 to a high of £1,078.5 prior to a closing level of £1,073.5. Nickel rose in sympathy and closed at £3,187.5. Copper advanced to £995, boosted by the strength of Aluminium, but fell away on substantial Commission House selling to close the late Kerb at £987.75.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	970-.5	+16.7	965.5-6.5	+1
3 months	982.5-3	+16.5	988.5-9	+1
Settlem't	970.5	+16.5		
Cathodes				
Cash	956-.5	+16.5	950.5-1.0	—.5
3 months	977.5-8	+16	972-4	—1
Settlem't	950.6	+16.5	—	
U.S. prod	—		*56.8	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £970, three months £994.50, 95, 94.5, 94, 92, 93.50, 93. Cathodes: Cash £957, 56.50. Kerb: Higher Grade: Three months £922, 93, 93.50, 93, 92, 91, 91.50. Afternoon: Higher Grade: Three months £991, 90.50, 91, 92, 91, 90.50, 90, 89, 88.50. Kerb: Higher Grade: Three months £989.5, 89, 88, 87, 86.5, 86, 88.5, 87, 87.5. Turnover: 30,300 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	8790-5	+8	8790-5	—2.5
3 months	8825-30	—5	8830-5	......
Settlem't	8795	—10	—	......
Standard				
Cash	8089-90	+3.5	8680-90	+5
3 months	8806-7	+1	8806-8	—.5
Settlem't	8080	+3	—	......
Straits E.	$30.23	...		......
New York				

Tin—Morning: Standard: Cash £8,690, three months £8,806. High Grade: Cash £8,795, three months £8,825. Afternoon: Standard: Three months £8,806. High Grade: Three months £8,830. Turnover: 825 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	274.5-.75	+3.75	276.5-7	+4.75
3 months	284-.25	+3.75	280.25-.5	+4.62
Settlem't	274.75	+3.75	—	......
U.S. Spot	—		*25.9	......

Lead—Morning: Cash £274.75, 74.50, three months £284.50, 85, 84.80. Kerb: Three months £284, 84.50. Afternoon: Three months £285, 85.50, 86, 86.50. Kerb: Three months £286.5, 87, 88, 87.5, 87. Turnover: 25,300 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	577.5-8	+6.25	577.5-8.5	+2.5
3 months	591.75-2	+3.0	592.5-3	+2.5
Settlem't	578	+3	—	
Primw'ts	—		*46-.75	......

Zinc—Morning: Cash £577, three months £593.50, 93, 92.50, 92. Kerb: Three months £592. Afternoon: Three months £592, 92.50. Kerb: Three months £592.5, 92, 91, 90. Turnover: 7,025 tonnes.

ALUMINIUM

Aluminium	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	1041-2	+28	1046.5-7.5	+24.5
3 months	1068.5-8	+27	1073.5-4	+24.7

Aluminium—Morning: Three months £1,057, 59, 60, 61, 62, 63, 64, 65, 66, 65, 65.5, 67, 68, 68.5, 69, 70, 69, 68.5, 69, 70, 69, 66.5, 69. Kerb: Three months £1,069, 70, 71, 72, 73, 75, 74, 75, 74.5, 74, 72, 70. Afternoon: Three months £1,070, 71, 72, 73, 74, 73, 74, 75.5, 76.5, 76, 75, 73, 73.5, 73, 74. Kerb: Three months £1,074, 73, 73.5, 74, 73.5, 73, 73.5. Turnover: 43,175 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3100-10	+98	3105-15	+20
3 months	3180-5	+30	3185-90	+20

* Cents per pound. ‡ MS per kilo. † On the previous unofficial close.

Nickel — Morning: Three months £3,179, -80, 85. Kerb: Three months £3,185, 90. Afternoon: Three months £3,190, 93, 92, 90. Kerb: Three months £3,187, 90. Turnover: 1,704 tonnes.

SILVER

Silver was fixed 4.05p an ounce lower for spot delivery in the London bullion market yesterday at 577.5p. U.S. cent equivalents of the fixing levels were: spot 847.5c, down 7.7c; three-month 867.1c, down 6.3c; six-month 888.9c, down 7.8c; and 12-month 931.9c, down 11.3c. The metal opened at 580½-583p (850-854c) and closed at 579½-582p (849-853c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	577.50p	—4.05	579p	—6
3 months	590.00p	—4.35	592.5p	—5.75
6 months	603.05p	—4.50		......
12 months	630.60p	—6.80		......

LME—Silver (2,000 oz contract)—Three months: 596p (596p). Turnover 1 (0).

Turnover: 90 (74) lots of 10,000 ozs. Morning: Large contract, three months 593.0, 91.0; small three months 594.0. Kerb: three months large 591.0. Afternoon large three months 593.0, 92.0. Kerb: three months large 594, 94.5, 95, 94, 93.

COCOA

The market was fairly active in a £12 range and ended the day on a firm note. Physical trading attracted light producer selling and limited consumer off-take, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Dec	1010-14	+17.5	1615-06
March	1025-24	+9.0	1626-10
May	1620-21	+8.0	1624-10
July	1618-19	+0.0	1624-15
Sept	1619-20	—1.0	1627-18
Dec	1627-30	+2.5	1634-30
March	1035-38	+5.0	1640-36

Sales: 4,391 (6,191) lots of 10 tonnes. ICCO—Indicator prices (U.S. cents per pound). Daily price for Nov 23: 104.66 (102.97); five-day average for Nov 24: 102.15 (101.71).

COFFEE

During a quiet session early trade pressure created losses in nearby contracts, reports Drexel Burnham Lambert. Dealer and commission house support lifted values from the lows and additional trade buying encouraged strength in moderate volume.

COFFEE	Yest'day's Close	+ or —	Business Done
Nov	1815-17	+12.5	1915-83
January	1823-25	+10.0	1925-96
March	1888-90	+15.5	1890-03
May	1818-32	+21.0	1823-95
July	1770-80	—8.5	1765-01
Sept	1750-55	+15.5	1765-51
Nov	1765-66	+15.0	1729-08

Sales: 2,907 (3,230) lots of 5 tonnes. ICO indicator prices (U.S. cents per pound) for Nov 23: Comp daily 1979 138.46 (138.29): 15-day average 136.83 (136.63).

GRAINS

Business done—Wheat: Jan 120.05-20.00, March 123.00-2.95, May 126.00-5.90, July 128.85-8.80, Sept 114.00 only. Sales: 143 lots of 100 tonnes. Barley: Jan 119.25-9.10, March 122.25-2.05, May 124.05, Sept 111.70 only. Sales: 82 lots of 100 tonnes.

The markets remained around unchanged levels all day in quiet trading with barley finding mixed support, reports Muirpace.

WHEAT Mnth.	Yesterdy's close	+ or —	BARLEY Yest'day's close	+ or —
Jan	120.00	—0.10	119.25	—0.10
Mar	123.00	—	122.20	+0.10
May	126.00	—	124.25	+0.10
July	128.85	—	—	—
Sept	114.00	+0.05	111.70	—0.10

LONDON GRAINS—Wheat: U.S. dark northern spring No 1 15 per cent Dec 137, Jan and Feb 139 transhipment east coast sellers. English feed fob Feb 125.50 east coast seller. Maize: French Dec 146.50 east coast seller. Barley: English feed fob Dec 121 east coast seller. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: S. East 117.50, S. West 117.20, W. Mids 116.50. The UK monetary coefficient for the week beginning Monday November 28 is expected to change to 0.824.

POTATOES

Values eased steadily all day, closing at or near the lows, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
Feb	170.50	180.00	178.50-177.5
April	210.50	213.00	216.00-210.1
May	215.50	217.50	217.10-215.5
Nov	78.50	77.50	—
Feb	85.50	89.20	—

Sales: 504 (251) lots of 40 tonnes.

RUBBER

The London physical market opened slightly steadier, attracted little interest throughout the day and closed uncertain, reported Lewis and Peat. The Kuala Lumpur December fob price for RSS No 1 was 263.5 (262.5) cents a kg and SMR20 221.0 (220.0).

No. 1 R.S.S.	Yesterday's close	Previous close	Business Done
	£ per tonne		
Dec	—	835-858	—
Jan	830-840	834-840	—
Jan-Mch	838-836	831-836	834-830
Apl-Jne	846-848	837-838	849-846
Jly-Sept	860-861	850-851	860-859
Oct-Dec	872-874	863-864	—
Jan-Mch	884-890	875-879	—
Apl-Jne	900-905	888-892	—
Jly-Sept	914-917	903-908	—

Sales: 228 (525) lots of 15 tonnes, 0 (100) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 82.50p (83.50p); Jan 83.50p (83.00p); Feb 84.00p.

SOYABEAN MEAL

The market opened about unchanged in thin trading, reports T. G. Roddick. Prices eroded on mixed selling in quiet conditions due to the U.S. holiday.

	Yestday's close	+ or —	Business Done
	£ per tonne		
Dec	174.50-75.00	—0.50	175.50-74.50
Feb	150.50-53.00	—1.15	155.00-65.00
April	157.00-57.50	—0.75	157.50
June	155.50-55.80	—0.75	—
August	155.10-55.80	—0.35	155.50
October	175.00-75.00	+0.25	—
Dec	165.00-65.00	—	—

Sales: 319 (189) lots of 100 tonnes.

SUGAR

No. 4 Contract	Yestday's close	Previous close	Business done
	£ per tonne		
Dec	144.50-40.50	140.75-47.00	140.50-45.00
Mar	162.00-62.25	161.40	162.50-58.00
May	167.50-66.05	166.50-67.80	167.80-64.25
No. 6 Contract	**£ per tonne**		
Dec	—	—	—
Mar	237.00-38.00	238.20-38.40	239.00-36.00
May	240.40-46.50	246.00-47.00	245.00-44.80
Aug	253.00-54.00	254.20-55.60	255.00
Oct	261.50-62.20	265.00-65.00	262.20-60.00
Dec	169.00-72.00	172.00-73.00	—
Mar	183.40-85.00	184.00-85.00	183.00-82.00

Sales: No. 4 1,614 (2,667): No. 6 738 (454) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £248.00 (same) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed, Caribbean ports). Prices for November 23: Daily price 6.38 (6.74): 15-day average 8.30 (8.29).

LONDON DAILY PRICE—Raw sugar £140.00 (same) a tonne for Nov-Dec-Jan shipment. White sugar £155.50 (£156.50).

Terminal prices showed little changed over the day in quiet trading conditions with New York closed, reports C. Czarnikow.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 401 tonnes. Mixed operations indicated some freer involvement among spinners. Activity centred on Middle Eastern growths including Russian and Turkish.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Dec 535.0, 537.0, 535.0-531.1; Mar 559.5, 560.0, 560.5-558.1; May 576.0, 577.0, 577.0; July 587.0, 587.05, 590.0-587.0; Oct 580.0, 583.0, 584.0-583.0; Dec 590.0, 592.0, 592.0-589.0; Mar 600.0, 603.0, 603.0; May 611.0, 616.0, 011.0. Sales: 75.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Dec 406, 409, nil; Jan 407, 409, nil; Jan 407, 408, 408; Mar 412, 414, 413; May 418, 421, nil; Aug 433, 435, 434; Oct 434, 438, nil; Dec 436, 443, nil; Jan 438, 443, nil; Mar 445, 450, nil; May 447, 454, nil. Sales: 7.

MEAT/FISH

GRIMSBY FISH—Supply poor, demand good. Prices at ship's side (unprocessed) per stone: shelf cod £5.50-£6.00, codlings £4.20-£5.50; large *haddock £5.00-£8.00; large plaice £6.80*, medium £6.20-£8.70; skinned dogfish (medium) £5.50; rockfish £2.50-£3.70; reds £3.00-£4.00; saithe £4.10-£4.30.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 89.16p per kg lw (+0.44). GB—Sheep 139.68p per kg est dcw (+6.40). GB—Pigs 81.67p per kg lw (+1.65).

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 82.0 to 88.0; Ulster hindquarters 97.5 to 102.0. Lamb—English small 60.0 to 65.0, medium 58.0 to 62.0, heavy 58.0 to 58.0; Imported: New Zealand PL 59.3 to 60.5, PX: 56.5 to 57.5. Pork—English under 100lb 49.5 to 55.0, 100-120lb 49.0 to 53.5, 120-160lb 46.0 to 52.0.

INDICES

FINANCIAL TIMES

Nov. 24	Nov. 23	M'th ago	Y'ar ago
265.74	265.31	265.71	232.42

(Base: July 1 1952=100)

REUTERS

Nov. 24	Nov. 23	M'th ago	Y'ar ago
1920.4	1917.4	1868.8	1564.6

(Base: September 18 1931=100)

MOODY'S

Nov. 23	Nov. 22	M'th ago	Year ago
1013.0	1010.1	1088.0	988.2

(Base: December 31 1974=100)

DOW JONES

Dow Jones	Nov. 30	Nov. 28	Month ago	Year ago
Spot	128.20	128.93	136.46	122.54
Fut's	141.69	141.32	141.80	135.88

(December 31 1931=100)

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported produce: Satsumas—Spania: 3.30-4.50. Clementines—Corsican: 3.20-3.80; Spania: 82/120 5.40-5.80, 132/168 5.20-5.50, 182/210 4.70-4.80; Moroccan: 3/4 6.50-5.80. Oranges—Spania: 42/48/54/60 6.00-6.20, 70/80/90 6.80-7.00, 100/110/120 6.80-7.00; Outspan: Valencia Lates 56 7.70, 72 7.70, 88 7.60, 112 6.60, 138 6.30, 150 5.30; Greek: 15-kg 5.00-5.50. Lemons—Italian: Carton 5.50-6.00; Cyprus: 10-kg boxes 3.50-4.90; Greek: 10-kg 4.00-4.80, 15-kg 6.50-7.50; Spania: 5-kg 2.00-2.20; Jaffa: 15-kg 4.50-6.25; Outspan: 15-kg 4.50-6.00. Grapefruit—Cuban: 3.40-3.50, pink 5.00-5.50; Jaffa: 32 4.60, 36 4.80, 40 4.80, 48 4.40, 56 4.00. Sunrise 23 5.80, 32 6.20, 36 5.40, 40 6.40, 48 6.20, 56 5.00, Red Blush 32 5.90, 36 6.00, 40 6.00, 48 5.60, 56 6.20; U.S.: Ruby 7.50-9.50; Cyprus: 40/48 4.50-4.80, 56/64 4.00-4.40. Apples—French: Golden Delicious carton 5.80-7.20, Granny Smith carton 6.00-8.50, Stark Crimson, carton 6.00-6.50; Italian: 21-kg Golden Delicious 5.50-6.00, Starking 5.50; Hungarian: Red Delicious 18-kg approx. 7.00-7.20; U.S.: Red Delicious new season carton 12.00-13.00. Pears—Italian: Williams 0.23-0.26. Grapes—Italian: Per pound, Italia 0.32-0.38; Spanish: Italia 0.32-0.38, Almeria 0.23-0.26, Napoleon 0.25-0.27. Melons—Spanish: 10-kg green 3.00-5.00, 15-kg green 7.20-8.00; Israeli: Galia 4.70-5.00, Ogen 4.00-4.50. Bananas—Colombian: 40-lb boxes 10.30-10.50. Avocados—Canary: 3.30-3.50; Israeli: 3.20-3.60. Pineapples—Each: Ivory Coast 0.45, C 0.70-0.75, B 0.80-1.00, A 1.50-1.60; Cape: 9s 0.35-0.40, 8s 0.40-0.45, 7s 0.50-0.55, 6s 0.70-0.75, 5s 0.80-0.85, 4s 1.00-1.10; Ghana: Each 1.40-1.60. Paw Paws—Brazilian: 6.00-6.50. Mangoes—Kenyan: 6.00-6.50; Brazilian: 8.00-8.50. Fennel—Italian: 3-kg 4.00-4.50. Figs—Smyrna: 48s x 8 oz 9.20-9.60. Kiwifruit—New Zealand: 6.20-6.50. Tomatoes—Spanish: Tray 2.80-3.00; Canary: Tray 3.20-3.50; Dutch: Tray 3.50-3.60; Beefsteak 5.40-5.50. Aubergines—Kenyan: 4.50; Canary: 3.60-3.50; Israeli: 5.50-6.00; Cyprus: 3.20-3.50. Onions—Spanish: 25-kg nets Zaragoza 5.50-5.80; Dutch: 45/60 mm 4.00-4.20, 50/80 mm 4.50-4.80; Hungarian: 4.30; Polish: 5.00. Capsicums—Dutch: Yellow 5.80-6.00, green 3.80-3.80, red 4.40-4.50; Israeli: Green 3.80-4.00, yellow 5.00, red 4.80-5.00; Spanish: Green 2.50-3.00, red 3.00-3.20, yellow 3.00-3.20. Cabbages—Dutch: Red 5.40-5.50, white 5.60-5.80. Sugar Peas—Per pound, Kenyan: 1.40-1.60; Moroccan: 1.20.

Barter deals for U.S. stockpile criticised

THE U.S. General Accounting Office said there appeared only limited potential for the Government to use barter to fill the national stockpile of strategic and critical materials, Reuter reports.

In a report to the Senate armed services sub-committee on preparedness, the accounting office recommended that the Government examined barter as part of its regular review of defence stockpile goals.

Agencies were permitted to barter, but restrictive laws had led to sparing use of the system, the office said.

The main obstacle to the U.S. Agriculture Department's use of barter to rid itself of surplus dairy products was a provision requiring the national defence stockpile to reimburse the department for the cost of strategic materials bartered for the department's goods.

Only China and Nigeria had expressed interest in bartering for U.S. dairy products but the stockpile materials needed by the U.S. and available in those countries were more readily obtainable using cash, the office added.

The Administration told Congress of proposed acquisitions of 15 materials for the national defence stockpile in the fiscal year that began last month.

The Federal Emergency Management Agency said in a report to Congress that proposed acquisitions in fiscal 1985 to 1988 covered 13 of the same 15 materials, plus two other items.

Information on the materials and associated quantities for acquisitions and disposals remained classified until invitations to bid were announced, it said. The stockpile contains 61 materials including strategic metals for defence and industrial uses.

The acquisition plan would be accomplished through cash purchases, barters of surplus agricultural commodities and exchanges of excess stockpiled materials for those needed items, the report said.

The General Services Administration for the past several months has been developing plans to acquire rubber for the stockpile.

The report *also said* research and development efforts on Gnayule as an alternative source of natural rubber, should allow a small domestic commercial industry to develop between 1985 and 1987.

U.S. Gnayule production was unlikely to pose a competitive threat to foreign rubber producing countries, it added. Reuter

U.S. markets were closed yesterday for Thanksgiving Day.

American cotton output likely to exceed demand

WASHINGTON—U.S. cotton production is expected to exceed consumption in 1984-85, the U.S. Agriculture Department said.

The department said consumption was unlikely to rise in 1984-85, as a sustained large cotton textile trade deficit and competition with synthetic fibres could limit further gains in mill use.

The department's report said the stock rebuilding phase of the current *mill-use* recovery had probably ended.

U.S. mill use had failed to improve as fast as domestic consumption. Mill use rose by about 10 per cent in the January-September 1983 period, while domestic consumption advanced by about 18 per cent.

The report said increased demand for non-apparel textiles and rising cotton prices relative to polyester continued to erode cotton's share of the textile market.

It said cotton's share of total fibre *mill use declined* to 22.9 per cent in the third quarter of this year and was expected to average about 23 per cent for the whole year, following a four-year period with a 24 per cent before.

The U.S. Census Bureau said consumption of domestic and foreign cotton in the U.S. during the four-week period to October 20 was 457,680 bales.

The figure compares with a revised 559,814 bales used in the previous five-week period (August 28-October 1) and 415,875 bales used in the four weeks to October 30, the year before.

Consumption in the current season, which began on August 1, was 1,469,698 bales compared to 1,275,650 bales used last season.

Average daily consumption worked out at 22,884 bales this year, compared with a revised daily average of 22,393 bales in the previous five-week period and 20,794 bales in the four weeks to October 30 last year.

Combined stocks of domestic and foreign cotton held in the U.S. at October 29 rose to 7,001,690 bales from a revised 6,363,656 bales four weeks earlier on October 1. However, they were down from the 7,990,375 bales on the corresponding date a year earlier, the Bureau reported.

Ginnings of cotton from this year's crop to November 14 were 4,643,843 running bales consisting of 4,619,226 ginnings of upland cotton and 24,617 of American pima.

Ginnings from the last year's crop were 7,201,961 bales, and 1981-crop ginnings totalled 7,687,882 bales.

● China's cotton output this year will be 5 per cent above last year's record of 3.6m tonnes, Deputy Commerce Minister Jiang Xi said in Peking yesterday.

State purchases of cotton are expected to rise 10 per cent over last year's figure of 3.45m tonnes, he told the China Daily.

China has announced suspension of cotton rationing because of the abundant harvest. Reuter

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar shows further rise

The dollar continued to improve in rather restricted trading yesterday. Activity was kept at a minimum due to the closure of U.S. centres for Thanksgiving Day. Some commercial orders helped to push the dollar to a record against the lira and the French franc although it lost ground to the latter before the close of business. It also moved above DM 2.71 against the D-mark but eased below the DM 2.71 level before the close of business.

Sterling was unchanged overall but started to look a little fragile towards the end of the day after October's trade figures had shown a current account deficit of £269m compared with market expectations of somewhere around flat.

DOLLAR — Trade weighted index (Bank of England) 128.8 against 123.3 six months ago. The dollar has been appreciating steadily recently, touching record levels against some currencies. *Tension in the Middle* East and other conflict areas is supporting the currency. In addition there are fears that a surge in money supply will combine with heavy Government borrowing and inflationary pressures associated with a strong economic recovery to prevent a further easing in Federal Reserve monetary policy.

The dollar rose to DM 2.7085 from DM 2.6935 against the D-mark, having failed to sustain a best level of DM 2.7120. Against the French franc it closed at FFr 8.2325 from FFr 8.20 and finished at a record L1,637½ from L1,630 in terms of the lira. It was also higher against the Swiss franc at SwFr 2.1790 from SwFr 2.1725 and Y235.0 from Y234.40.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4540. October average 1.4977. Trade weighted index 83.4 from 83.5 at noon and 83.4 at the opening and compared with 83.4 on Wednesday and 85.2 six months ago. The pound has drifted slightly against the dollar but has tended to move up in line with the dollar against Continentals. This trend has been encouraged by unsettled conditions in the Middle East and the threat to Western oil supplies, plus fading hopes of an early cut in clearing bank base rates.

Sterling fell to $1.4645-1.4655 against the dollar, a fall of 40 points from Wednesday. It was firmer against the D-mark, however, at DM 3.97 from DM 3.96 and FFr 12.0575 compared with FFr 12.0425. Against the Swiss *franc and yen it was unchanged* at SwFr 3.1950 and Y344.5 respectively.

D-MARK — Trading range against the dollar in 1983 is 2.7315 to 2.3220. October average 2.6023. Trade weighted index 125.0 against 128.7 six months ago. The D-mark is losing ground against the dollar once again and could threaten the 10-year low touched in August. Although German interest rates are relatively firm, partly reflecting concern about money supply growth, expectations that U.S. interest rate will remain high, coupled with Middle East tension, have returned the dollar to favour while political and financial worries have tended to depress the D-mark.

The dollar rose to a 14-week high at yesterday's fixing in Frankfurt. It climbed to DM 2.7070 from DM 2.6910 with the Bundesbank closing the fixing session with a sale of $5.05m. A high of DM 2.7085 was touched during the morning but there was insufficient impetus to push it through the DM 1.71 level. *Sterling was higher at DM 3.970* from DM 3.956 while the Swiss franc improved to DM 1.2418 from DM 1.2399.

FRENCH FRANC — Trading range against the dollar in 1983 is 8.2475 to 6.6060. October average 7.9445. Trade-weighted index 66.7 against 69.7 six months ago. The French franc is comfortably placed within the EMS, helped by encouraging balance of payments figures and the first trade surplus for more than four years. It is however trading at record lows against a very strong dollar.

The French franc lost ground to the U.S. dollar at yesterday's fixing in Paris with the dollar rising to FFr 8.2335 from FFr 8.1960. Earlier trading had seen the dollar rise to record levels but there was no sustained demand and the franc recovered slightly, helped by a stronger performance against the D-mark. The latter fell to FFr 3.0424 from FFr 3.0451. Sterling was higher at FFr 12.0820 from FFr 12.0550.

£ in New York

	Nov. 03	Previous
Spot	$1.4655-4665	$1.4735-4745
1 month	0.05-0.06 dis	0.06-0.07 dis
3 months	0.22-0.24 dis	0.25-0.27 dis
12 months	0.98-1.08 dis	1.08-1.15 dis

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU November 24	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	45.9872	+2.42	+1.73	±1.5447
Danish Krone	8.14104	8.17220	+0.38	−0.31	±1.6425
German D-Mark	2.24184	2.26371	+0.98	+0.29	±1.0842
French Franc	6.87456	6.89806	+0.17	−0.52	±1.4052
Dutch Guilder	2.52595	2.53468	+0.34	−0.35	±1.4964
Irish Punt	0.72569	0.729436	+0.28	−0.31	±1.6699
Italian Lira	1403.49	1369.98	−2.39	−2.39	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

THE DOLLAR SPOT AND FORWARD

OTHER CURRENCIES

CURRENCY RATES

CURRENCY MOVEMENTS

EXCHANGE CROSS RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Asian $ (closing rates in Singapore): Short-term 9⅜-9⅝ per cent; seven days 9⅜-9¾ per cent; one month 9½-9½ per cent; three months 9⅞-9⅞ per cent; six months 9⅝-10 per cent; one year 10⅜-10⅝ per cent. Long-term Eurodollar two years 11-11⅛ per cent; three years 11½-11⅝ per cent; four years 11⅞-12⅛ per cent; five years 12-12⅛ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days notice.

FINANCIAL FUTURES

Gilts retreat

Gilts showed a weaker tone on the London International Financial Futures Exchange yesterday. The mood was set by the National Institute of Economic and Social Research review suggesting that inflation will rise to 6½ per cent by the end of next year, and that the Treasury's forecast of 3 per cent growth of national output this year and next is over-optimistic. Sentiment in the market was depressed, and was also influenced by the weaker pound against the dollar, and a firmer tone to Eurodollar interest rates.

It is also suspected that the flow of substantial dividend payments supporting the market has now dried up, and that there is little incentive to push prices higher at a time when the pound has a fragile look about it, and the next set of UK money supply figures are expected to disappoint the financial markets.

December delivery gilts opened at 109-18, and fell to close at the day's low of 109-09, compared with 109-31 on Wednesday. The further decline towards the finish reflected disappointment at the UK October trade figures, following a strong rise in import volume. The non-oil deficit deteriorated sharply, leaving a current account balance of payments shortfall of £269m, compared with expectations of a flat position.

December Eurodollars opened at 90.29, only slightly above the day's low of 90.28, and closed at 90.29, compared with 90.32 previously.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
Dec	90.29	90.30	90.28	90.32
March	89.87	89.89	89.86	89.91
June	89.55	89.56	89.55	89.60
Sept	89.27	89.30	89.27	89.32
Dec	88.96	—	—	88.99

Volume 697 (1,381)
Previous day's open int 8,294 (8,212)

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Close	High	Low	Prev
Dec	71-21	71-24	71-17	71-25
March	71-02	71-05	70-30	71-06
June	70-16	70-19	70-13	70-21
Sept	70-01	70-03	69-31	70-05
Dec	69-18	69-22	69-15	69-25
March	69-07	69-07	69-05	69-12
June	68-29	68-31	68-29	69-03
Sept	68-29	68-22	68-20	69-26

MONEY MARKETS

Little change in UK interest rates

Interest rates were hardly changed in London yesterday in rather dull and featureless trading. There was no impetus from the U.S. with the latter closed for Thanksgiving Day. In addition the Fed's decision to add reserves on Wednesday was not taken as a sign of any change in policy but more of a calming move over the holiday period. News of a UK trade and current account deficit in October was somewhat outside market expectations.

UK clearing bank base lending rate 9 per cent (since October 4 and 5)

The three-month interbank rate was quoted at 9⁹⁄₁₆ per cent, unchanged from Wednesday while the buying rate on three-month eligible bank bills eased slightly to 8⅞ per cent from 8¹⁵⁄₁₆ per cent.

Overnight interbank money opened at 8⅞-9 per cent and eased initially to 8¾ per cent before coming back to 8⅞ per cent. Rates fell later in the day to around 7 per cent but rose on late demand to finish at 10 per cent.

The Bank of England forecast a surplus of around £100m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £24m, offset by Exchequer transactions of £175m. The surplus was later revised to around £50m *and the Bank did* not intervene in the morning. In the afternoon the surplus was revised once again back to £100m and the Bank sold £43m of Treasury bills at 8⅞-8¹⁵⁄₁₆ per cent, maturing today.

In Frankfurt call money was unchanged at 5.50-5.55 per cent with little heavy demand ahead of the month end anticipated. Banks are well placed to meet this month's minimum reserve *requirements with a lot of funds* taken earlier in the month after the financial problems of SMH Bank. Tax payments are not expected to make a significant drain on liquidity although there is a maturing repurchase agreement on Monday which will account for DM 7.5bn.

In Paris nine-month Treasury bills rose to 11 55/64ths per cent from 11¾ per cent at the latest auction by the Bank of France. The FFr 1.54bn of bills sold attracted bids of FFr 3.29bn with the Bank also selling FFr 1.69bn of 5-year floating rate Treasury bills.

MONEY RATES

Nov. 24	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.50-5.55	12⅛	1-1½	0½-5½	0.03125	17½-17⅞	8¼	12-12¼
One month	5.70-5.80	12¼-12⅜	5⅛-5⅛	6¼-6⅞	6.40625	17⅜-17¾	9⅛-9⅛	12-12¼
Two months	6.25-6.35	12⅛-12⅜	4⅛-4¼	—	—	17⅜-18	—	12-12¼
Three months	6.25-6.40	12⅛-12⅛	—	6⅛-6¼	6.34375	17¾-18	9¾-9⅞	12-12¼
Six months	6.30-6.40	12⅜-12½	—	9¼-6⅜	—	—	9⅞-10	12⅜-12⅝
Lombard	6.5	—	—	—	—	—	—	—
Intervention	—	12¼	—	5¾	—	—	—	—

LONDON MONEY RATES

FT LONDON INTERBANK FIXING

MONEY RATES

COMPANY NOTICES

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
(Incorporated in the Republic of South Africa)

Dividend No. 109 on Preferred Stock

On November 24 1983 dividend No. 109 of three per cent for the six months ending December 31 1983, was declared payable on February 3 1984 to holders of the six per cent cumulative preferred stock who are registered in the books of the Corporation at the close of business on December 23 1983, and to persons presenting coupon No. 110 detached from stock warrants to bearer.

The stock transfer registers and register of stockholders will be closed from December 24 to 31 1983, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about February 2 1984.

Registered stockholders paid from the United Kingdom will receive the United Kingdom currency equivalent on December 28 1983 of the rand value of their dividends (less appropriate taxes). Any such stockholders may, however, elect to be paid in South African currency, provided that the request is received at the offices of the Corporation's ...

ANCIENNE UNION MINIERE (in liquidation)

REFINERIA DE PETROLEOS DEL NORTE, S.A. PETRONOR
7¾% Bonds 1973/1988
U.S.$15,000,000

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

INTERNATIONAL CAPITAL MARKETS

Mitsubishi $100m bond finally comes to market

BY MARY ANN SIEGHART IN LONDON

MORGAN STANLEY and Nomura International finally launched their $100m convertible Eurobond for Mitsubishi Heavy Industries yesterday. The deal has been rumoured for weeks, and market-makers have been trading it actively on a "when issued" basis.

The 15-year bond's coupon is an indicated 4⅜ per cent and it will probably be priced at par. The likely conversion premium is 5 per cent. Terms will be finalised on November 30. The bond seemed reasonably popular, trading at a discount of around 1 point.

Prudential Insurance of America's $150m deal linked to AT&T stock has been given its final terms. The exercise price of the warrants, which enable the holder to buy 10 new AT&T shares and one share each of the seven regional companies, has been fixed at $752.5 per warrant (or $75.25 per share). This represents a 15.3 per cent premium over Wednesday's closing price of the old AT&T shares.

The dollar secondary market showed few signs of life yesterday with the New York market closed for Thanksgiving.

Exim Bank of Japan is raising SwFr 100m through a five-to-six-year private placement with an indicated 5⅝ to 5¾ per cent coupon. Swiss Bank Corporation will price the deal on November 29.

Yamato Transport issued a SwFr 50m convertible private placement with an indicated 3 per cent coupon. The five-year bond will be priced by UBS next Thursday.

Yamamura Glass, the Japanese bottle maker, issued a SwFr 30m convertible private placement yesterday, also with an indicated 3 per cent coupon for five years. SBC will give the final terms on December 1.

Prices of seasoned bonds closed unchanged in Germany and slightly better in Switzerland.

● The Japanese Ministry of Finance will allow Japanese corporations to issue bonds linked to currency swaps from next April, Yoko Shibata reports from Tokyo. Corporations will also be allowed to tap the Euroyen market.

BHF Bank bond average		
Nov 24		Previous
98.641		98.684
High	1983	Low
102.017		97.699

DOMESTIC MARKET AWAITS GOVERNMENT FUNDING

Hong Kong to issue debt

BY ROBERT COTTRELL IN HONG KONG

THE HONG KONG Government is working on plans for its much-awaited debut as an issuer of debt in the domestic market. Available indications are that the Government is considering a funding exercise relating to expenditure on a specific capital project or group of projects; that the issue would probably be a substantial one; and that it may be forthcoming in a few months' time.

Analysts say that, while Hong Kong's long-term future is clouded with political uncertainty, issues of short-term Hong Kong dollar-denominated government paper would be well received, particularly by local banks. The fledling local market in tradeable short-term commercial paper has already been boosted this year by issues from the Mass Transit Railway Corporation, which is equity-owned by the Hong Kong Government but which is meant to operate with commercial autonomy.

Analysts say a digestible size for an initial government issue might be of the order of HK$1bn to HK$2bn (U.S.$256m).

The prospects for government borrowing have been much debated by local analysts, who have seen successive budgets yield a deficit of HK$3.5bn in fiscal 1982-83, and a projected HK$3.2bn deficit in 1983-84. Sir John Bremridge, Hong Kong's Financial Secretary, said in his February budget speech this year that government revenues had been hit by a fall-off in land sales, and that "whether this change can be accommodated without resort to government borrowing is an open question."

● The largest-ever foreign loan for a mainland China hotel project was signed in Hong Kong yesterday. A syndicate of 11 banks, led by the state-owned Bank of China, is lending HK$700m over 10 years to finance the 1,154-bedroom Garden Hotel in Guangzhou (Canton).

The hotel is a joint ventur project between Hong Kong and Chinese investors. The Chinese partner, Guangzhou Linglan Properties Company, and the project contractor, the Pear River Foreign Investment Construction Company, are both arms of the Guangzhou municipal authorities. The Pearl River FICC is guaranteeing the loan.

The Hong Kong partner in the project is a company called Garden Hotels (Holdings), whose shareholders include several prominent bankers and businessmen.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for November 24.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 10¾ 90	100	93⅝	94⅛	+0⅛	+0¼	11.57
Australia Comm 11¼ 90	100	101	101½	0	+0¼	10.97
Australia Comm 11½ 95	300	96⅝	97⅛	+0⅛	-0⅛	12.00
Australia Comm 11⅝ 88	100	97⅝	97⅞	-0⅛	0	11.97
Bank of Tokyo 11 90	100	94⅝	95¼	-0⅛	-0¼	12.14
British Col Hyd 10¾ 88	200	96⅝	97⅛	+0⅛	-0⅛	11.13
Britoil Fin 11⅝ 88	125	99⅝	100⅛	0	-0⅛	11.43
Canada 10⅞ 88	500	98¾	99¼	-0⅛	-0⅛	11.28
C.C.C.E. 11¾ 87	100	93	93½	0	-0¼	12.80
C.C.C.E. 12⅜ 95	75	98⅝	99⅛	+0⅛	0	12.76
Can Imp Bk Com 11 90	75	92¾	93½	0	+0⅛	12.58
Citicorp O/S 10⅜ 90	100	92¼	92⅝	+0⅛	-0⅛	12.11
Citicorp O/S 11¾ 90	100	97⅛	97⅝	0	-0⅝	12.32
Cred Suisse BAH 10½ 88	150†	99⅝	99⅝	0	+0¼	10.67
Den Norsk Cred 11¼ 93	50	93¼	93¾	0	+0⅛	12.42
E.C.S.C. 11⅝ 90	75	99⅝	100⅛	+0⅛	+0¼	11.87
E.D.F. 11¼ 93	100	92⅛	92⅝	-0⅛	-0½	12.52
E.E.C. 11 87	350	98¾	99⅛	0	+0⅛	11.26
E.I.B. 10¾ 93	200	91⅞	92⅜	0	-0⅛	12.17
E.I.B. 11 91	125	95⅝	95⅞	+0⅛	+0⅛	11.90
Exportfinans 11½ 90	100	96½	97	0	0	12.21
Electrolux 10½ 90	50	92¼	92¾	0	0	12.20
Essearch Fin 11⅝ 93	100	95½	96	-0⅛	-0⅛	12.38
Fuji Int Fin 10⅜ 90	100†	93	93½	-0⅛	-0⅝	12.42
GMAC O/S Fin 11⅜ 90	100	99	99½	+0⅛	0	11.52
Honeywell Int 10¾ 90	100	96½	97	-0⅛	-0½	11.47
Indust Bk Japan 10⅞ 88	100	97	97½	-0⅛	-0⅛	11.65
Indust Bk Japan 11⅜ 91	100	96⅝	96⅞	-0⅛	-0⅝	12.10
Japan Air Lines 10⅜ 90	42	92	92½	-0⅜	-0⅝	12.01
Japan Air Lines 11 93	75	94⅝	95⅛	0	-0¼	11.85
J.C. Penney 11⅝ 90	100	100⅛	100⅝	0	-0¼	11.78
J. P. Morgan 11⅜ 90 WW	150	97⅛	97⅝	0	-0⅛	11.94
Levi Strauss Int 11 90	75	96½	97	0	-0⅛	11.70
L.T.C.B. 10¾ 90	100	93	93½	0	-0⅛	12.28
L.T.C.B. 12½ 90	85	101⅛	101⅝	-0⅛	-0⅝	12.17
Merrill Lynch 10⅝ 90	200	94	94½	0	0	11.82
Mitsubishi Corp 10½ 90	100	93¾	94¼	0	-0½	11.85
Mitsubishi Fin 11⅜ 90	100	95⅝	96⅛	0	-0⅛	12.23
Nippon Credit 11 90	100	93⅝	94⅛	-0⅛	-0½	12.40
Nippon Credit 11⅜ 90	100	97⅛	97⅝	0	-0½	12.40
O.K.B. 10 91	100	90	90½	0	+0⅛	12.03
Ontario Hydro 10¼ 90	250	93¼	93¾	-0	0	11.70
Ontario Hydro 11¾ 90	200	100⅛	100⅝	0	+0⅛	11.65
Pacific Gas & Elec 12 91	75	102⅝	102⅞	-0⅛	-0½	11.46
P.K. Banken 12 90	75	96⅝	97⅛	0	+0⅝	12.67
Prudential O/S 10⅝ 93	100	94⅝	94⅞	-0⅛	-0⅛	11.57
Quebec Hydro 11½ 92	100†	97	97½	-0⅛	-0⅛	12.01
Saskatchewan Pr 10¾ 90	125	95⅛	95⅝	+0⅛	+0⅛	11.82
Sears O/S Fin 11⅝ 93	150	98	98½	-0⅛	0	11.92
Sth Cal Edison 10½ 90	75	95⅝	96⅛	0	-0⅛	11.35
Sumitomo Fin 10⅜ 90	100	93¼	93⅝	-0⅛	-0¼	12.38
Texaco Capital 9¾ 90	150	92¼	92¾	-0⅛	-0⅛	11.50
Texaco Capital 10½ 93	200	94⅝	95⅛	-0⅛	0	11.38
U.B.S. 10 88	100	97⅛	97⅝	0	-0⅛	10.51
World Bank 11¼ 88	100	99⅛	99⅝	+0⅛	+0⅛	11.30
World Bank 11¼ 90	200	96⅝	97⅛	0	0	11.90
World Bank 11½ 90	150	98½	99	-0⅛	+0⅛	11.75
World Bank 12 93	200	100⅛	100⅝	0	+0⅛	11.81

Av. price changes: on day 0, on week -½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 7⅝ 93	100	100⅛	100⅝	0	-0⅝	7.31
Arab Banking Corp 8 88	100	96⅝	97⅛	0	-0⅛	8.74
Asian Dev Bk 8½ 93	200	99⅝	100⅛	0	-0¼	8.48
Austria, Rep 7⅝ 89	100	100⅛	100⅝	0	-0⅝	7.47
Austria, Rep 8 93	100	100	100½	0	-0⅛	7.95
Avon Int Fin 7½ 93	100	101¼	101¾	-0¼	-0¼	7.28
Beatrice Foods 7¾ 93	130	103⅝	104⅛	+0⅛	-0½	7.10
B.F.C.E. 8¼ 90	150	99⅝	100⅛	+0⅛	-0⅛	8.21
Dresdner Finance 4 90 WW	250	107⅝	108⅛	0	-0⅝	2.62

	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	106¼	107	+0¼	+1	7.57
E.I.B. 8¼ 92	10	103	103½	+0⅛	+0⅛	7.69
Int-Am Dev Bk 7⅝ 92	15	100	100½	+0¼	+0⅛	7.82
New Zealand 7⅝ 88	15	102⅞	103⅜	-0⅛	+0½	8.94
World Bank 8⅝ 92	20	104	104½	+0¼	+0⅛	7.83

Av. price changes: on day +½, on week +½

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Farm Credit 12¼ 90 CS	75†	101¼	101⅝	0	+0⅛	11.93
Norcan 12⅝ 93 CS	60†	97⅛	97⅝	0	0	13.22
TD MTG Corp 12½ 88 CS	40†	101¼	101¾	0	-0⅛	12.04
Quebec Hydro 12¾ 93 CS	50†	102½	103	0	-0⅛	12.24
Royal Trstco 12⅝ 88 CS	50†	101⅝	102½	0	-0⅛	12.10
World Bank 12¼ 90 CS	75†	102½	102½	+0⅛	+0¼	11.69
Xerox Canada 12 88 CS	40†	102⅞	103⅜	0	0	11.09
E.I.B. 11⅛ 93 ECU	50	100	100⅝	0	+0⅛	11.06
Genfinance 11 90 ECU	60	97⅝	98⅛	0	0	11.42
Algemene Bank 8¾ 88 Fl	150	101¾	101⅞	+0⅛	+0¼	8.30
Bank Mees & Hope 9 88 Fl	75	102¼	102¾	+0¼	+0¼	8.33
Elect Sup Brd 8⅝ 88 Fl	75	97¼	97¾	-0⅛	-0¼	9.43
P.H.P. 8⅝ 88 Fl	50	101	101½	0	+1	8.40
Swed Exp Cred 7⅝ 88 Fl	100	95⅝	96⅛	0	0	8.84
World Bank 9 88 Fl	100	102¾	103¼	0	+0¼	8.28
O.K.B. 14 88 FF	400	100⅝	101⅛	0	+0⅛	13.30
Solvay & Cie 14¾ 88 FF	200	101⅞	102⅜	+0⅛	+0⅛	13.38
B.F.C.E. 11½ 88 £	50	100	100½	0	0	11.84
British Oxyg 11⅞ 91 £	50	100½	101½	-0¼	+1⅛	11.87
CEPME 11¼ 95 £	35†	97	98¼	0	-0½	7.00
CIBA-Geigy Int 8⅝ 93 £	25	101¼	102	0	+0⅛	11.51
E.E.C. 11½ 91 £	50	101⅝	102⅛	+0⅛	+0⅛	11.58
E.E.C. 11⅝ 93 £	50	95⅛	95⅝	0	+0⅛	11.43
Fin For Ind 10½ 90 £	20	100⅝	101⅛	-0⅛	+0⅛	11.63
Finland Rep 11⅝ 88 £	50	103⅝	104⅛	0	+0⅛	11.35
Gen Elec Co 12½ 89 £	50	95	95½	-0⅛	+0½	11.56
I.I.I. 10⅝ 93 £	25	100	101	0	+0¼	11.40
I.I.I. 11½ 91 WW £	50†	98½	99½	+0⅛	+0⅛	11.99
Mort Bk Fin 11⅝ 88 £	15	102⅝	103⅛	-0⅛	-0¼	11.33
Norsk Hydro 12 98 £	30	98¼	99	-0⅛	0	11.47
Sweden 11¼ 93 £	50	98⅝	99½	+0⅛	+0⅛	11.46
Swed Exp Cred 11¼ 88 £	30	98⅝	99⅛	-0⅛	+0⅛	11.30
World Bank 11⅛ 88 £	100	102	102	-0½	-0½	10.55
Eurofima 11 93 LuxFr	500	102⅝	103⅛	+0¼	0	10.24
Europarl 10¾ 93 LuxFr	800					

FLOATING-RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
B.F.C.E. 5¼ 88	0¼	99¾	100	20/1	10.18	10.19
Caisse Nat Tele 5¼ 90	0¼	99⅜	99⅝	21/4	10	10.05
C.C.F. 5¼ 85	0¼	99½	99⅝	7/4	9.94	9.97
C.C.F. 5¼ 88	0¼	99⅝	100⅛	24/3	10.18	10.19
Cepme 5¼ 88 WW	0¼	99⅝	100¼	3/12	10.56	10.55
Cepme 5¼ 92	0¼	99⅝	100	10/12	10½	10.51
Chemical NY 5¼ 94 ††	0¼	100⅝	100⅝	23/12	10	9.95
C.N.C.A. 5¼ 95 XW	0¼	99½	99¾	7/12	10	10.04
C.N.C.A. 5¼ 97	0¼	99½	99⅝	24/3	10.31	10.35
C.N.T. 5¼ 91	0¼	99½	99⅝	8/5	10.19	10.23